



## Doing Business in Lebanon

### 2011 Country Commercial Guide for U.S. Companies

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## Chapter 1: Doing Business in Lebanon

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### Market Overview

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Lebanon, with a population of about 3.8 million, is the 58th largest market for U.S. exports. According to Lebanese customs statistics, total imports to Lebanon reached approximately \$17.9 billion in 2010, out of which the United States exported \$1.9 billion worth of goods to Lebanon, constituting 10.6 percent of Lebanon's total imports.

In 2010, the United States ranked as Lebanon's number one trading partner ahead of China, Italy, Germany and France. Major U.S. exports to Lebanon were mineral fuel and oil (\$882 million), machinery (\$248 million), vehicles (\$242 million), pharmaceutical products (\$69 million), cereals (\$60 million), medical equipment (\$58 million), and electrical equipment (\$50 million).

Real GDP growth is estimated at 5 percent in 2011, according to the International Monetary Fund. Nominal GDP is estimated at about \$42.5 billion in 2011, with inflation estimated at around 3.5 percent.

According to the IMF, the impact of the global financial crisis on Lebanon has been limited. However, Lebanon is still facing challenges, notably a very high level of public debt and large external financing needs.

Lebanon's economy is based on a laissez-faire philosophy. Most of the economy is dollarized, and the country has no restrictions on the movement of capital across its borders. The Lebanese government's intervention in foreign trade is minimal.

The Special Tribunal for Lebanon, which was created by the United Nations in 2007 to prosecute those responsible for the 2005 assassination of former Prime Minister Rafik Hariri, is expected to issue an indictment in 2011. Many Lebanese fear that an indictment might have negative impact on the business and economic environment in Lebanon.

The U.S. has neither a bilateral investment treaty (BIT) with Lebanon nor an agreement on the avoidance of double taxation. However, the U.S. has signed a Trade and Investment Framework Agreement (TIFA) with the Government of Lebanon to help promote an attractive investment climate, expand trade relations, and remove obstacles to trade and investment between the two countries. Since 1999, Lebanon has observer status at the World Trade Organization (WTO). In 2006, Lebanon signed an association agreement with the European Union.

## Market Challenges

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Starting a new business in Lebanon is relatively simple and open to all, but petty corruption is an issue. The World Bank noted improvements in Lebanon's mechanisms for paying taxes and business start-up procedures. According to the World Bank's Doing Business 2011 report, opening a business in Lebanon requires 5 steps, while in Organisation for Economic Co-operation and Development (OECD) countries it takes 5.6 procedures.

Lebanon ranked 127 out of 178 countries worldwide in Transparency International's most recent Corruption Perception Index. Foreign companies have complained about impediments such as arbitrary licensing decisions, complex customs procedures, archaic legislation, an ineffectual judicial system, high taxes and fees, high telecommunications and power charges, varying interpretation of laws and a lack of adequate protection of intellectual property

## Market Opportunities

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The Council for Development and Reconstruction (CDR) is the government's executive body responsible for tendering major projects, procuring financing for these projects, and supervising their execution. Major projects lie in transportation, electricity, telecommunications, education, solid and water waste. These projects are listed at <http://www.cdr.gov.lb>. CDR, in coordination with the concerned ministries, launches these projects.

In May 2000, parliament adopted a privatization law that established a framework for the privatization of state-owned enterprises, but privatization of state institutions has been delayed because of lack of political consensus. At the Paris III Donor Conference in 2007, the government presented a master plan for reform that included the privatization of the two mobile phone companies, the fixed line network, the electricity sector, the water sector, the national airline, and other government-owned entities.

The Ministry of Post and Telecommunications issued a tender for broadband connectivity in last quarter of 2010. Investments in this project are expected to exceed \$200 million.

The Ministry of Energy and Water announced a four-year master plan aimed at solving the severe electricity crisis in Lebanon. Investments in this plan are expected to exceed \$4 billion. Moreover, the ministry is expected to invest over \$1 billion for water and waste water projects in the coming few years. For more information about these projects, visit the Ministry of Energy and Water website at <http://www.energyandwater.gov.lb>.

## Market Entry Strategy

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U.S. companies interested in doing business in Lebanon are advised to hire a Lebanese agent or distributor. Although working through an agent is a very common practice in Lebanon, networking and lengthy investigation are key to finding an appropriate one.

U.S. companies don't need to visit Lebanon to find an agent. The U.S. Commercial Service can help U.S. companies find the right partner through the International Partner

Search (IPS) service. More information on IPS can be found at <http://www.buyusa.gov/lebanon/en/internationalpartnersearch.html>.

The Investment Development Authority of Lebanon (IDAL), a public agency responsible for promoting investments in Lebanon, has a “One-Stop Shop” service to issue permits and licenses for investors. Further information about IDAL and its services is available at <http://www.idal.com.lb>.

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## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of Lebanon please click on the link below to access the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/35833.htm>

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### Using an Agent or Distributor

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U.S. companies are advised to appoint a Lebanese agent or distributor when doing business in Lebanon. The agent may be a partnership, a sole proprietorship, a joint-stock company, or a limited liability company. The agent can act on behalf of the U.S. company to bid for government tenders and to market its products.

The U.S. Commercial Service can help U.S. companies find reliable agents through the International Partner Search (IPS) service. More information on IPS can be found at <http://www.buyusa.gov/lebanon/en/internationalpartnersearch.html>.

### Establishing an Office

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A foreigner who wishes to establish a business branch in Lebanon must have a residence permit from Sûreté Générale and a work permit from the Ministry of Labor. Foreign companies need a license to operate from the Ministry of Economy and Trade. U.S. companies may operate through local branches, provided they obtain a “receipt of acknowledgement” from the Ministry of Economy and Trade and register in a local commercial court. For trade activity, the company must be registered at any of the four regional chambers of commerce and industry.

The Investment Development Authority of Lebanon (IDAL) has a “One-Stop Shop” service to issue permits and licenses for investors. Further information about IDAL and its services are available at <http://www.idal.com.lb>.

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Franchising has become one of the fastest growing business sectors in Lebanon. Franchising opportunities are most common in the fast food sector. Major American food franchises present in Lebanon are McDonald's, Starbucks, Pizza Hut, KFC, Baskin Robbins, Hardees, Chili's, Hard Rock Café, Dunkin' Donuts, Krispy Kreme, Marble Slab Creamery, T.G.I. Friday's, Burger King, Subway, Clucksters', Häagen-Dazs and Applebee's.

Franchising opportunities are also available in the area of clothing, and numerous U.S. and international brands have opened stores in Lebanon. Franchising has great potential in the services sector, as well. Major service-related American franchises in Lebanon include New Horizons, Berlitz, Hertz Car Rental, Thrifty Car Rental, Coldwell Banker, Century 21, ChemDry and Zeibart.

In April 2008, the Lebanese Franchise Association (LFA) signed a memorandum of understanding with the International Franchise Association to foster international training and sharing of information. LFA will host its second Beirut International Franchise Forum and Exhibition (BIFEX) from November 16-18, 2011, which aims to gather franchisors and potential franchisees from the Middle East. For more information about LFA and BIFEX, visit <http://www.lfalebanon.com>.

## Direct Marketing

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With around \$100 million spent annually on advertising, the advertising industry has proven to be the most effective marketing channel in Lebanon. Advertising commonly relies on TV, radio, and billboards.

Marketing can be also achieved through trade fairs and exhibitions. Numerous international fairs are held in Lebanon every year, with significant participation from European, Asian, Middle Eastern, and, increasingly, U.S. companies. For additional information about trade fairs in Lebanon, please go to [http://www.buyusa.gov/lebanon/en/trade\\_fairs\\_lebanon.html](http://www.buyusa.gov/lebanon/en/trade_fairs_lebanon.html).

## Joint Ventures/Licensing

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Joint ventures in Lebanon are established through a contract, prepared by legal advisors, between at least two partners and it is not necessary to publicize the formalities. Lebanese law does not require joint ventures to be registered in the Commercial Register.

Licenses are usually issued by the Investment Development Authority of Lebanon (IDAL) which has a "One-Stop Shop" to serve investors. Further information is available at <http://www.idal.com.lb>.

## Selling to the Government

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The Council for Development and Reconstruction (CDR), a public authority established in 1977, is the government unit responsible for large projects in all sectors. These projects are usually carried out through public tenders, although purchases are

occasionally made via direct contract when attractive financing protocols are made available by the foreign companies' governments. More information about CDR and its projects can be found at <http://www.cdr.gov.lb>.

The Lebanese government comprises 22 ministries that can carry out public tenders, which are usually published on the ministries' websites. A list of ministries and their websites can be found in the web resources section at the bottom of this chapter. U.S. companies can apply directly for these tenders or can rely on local agents to bid on their behalf.

## **Distribution and Sales Channels**

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Most products imported to Lebanon enter either through the Beirut International Airport (BIA) or the Beirut Port. Foreign exporters rely on local companies both to receive the imported products at the Beirut Port and BIA after they are cleared by local or international expeditors from the customs authority and to distribute them subsequently in the market. Although traditional markets and souks exist in Lebanon, most products are distributed through modern retail stores, shopping malls, department stores and supermarket chains spread throughout the country. Major malls and department stores include ABC, CityMall, the Beirut Mall, Le Mall and Beirut Souks in Solidere. Major supermarket chains include the Sultan Center, Spinneys, Fahed Supermarket, Charcutier Aoun and Metro Supermarket.

## **Selling Factors/Techniques**

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The Lebanese market is generally characterized as being free and price sensitive. Sales material can be in English, French, or Arabic. Many European and Asian brands introduced into the market have managed to gain a considerable market share, but high quality U.S. products are still valued by high-end consumers who appreciate quality, technology, innovation, and added value. Moreover, demand for U.S. goods has increased due to the decline of the dollar relative to the euro.

Exclusive rights are a common practice in the Lebanese market, and Lebanese companies usually request exclusive rights when signing agency agreements with foreign companies. Therefore, U.S. companies are encouraged to work with one exclusive agent to represent their products in Lebanon.

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E-commerce is in its early stages in Lebanon. Some e-commerce ventures, such as online shops, auctions, services, and content publishing, have been established. However, these ventures remain limited due to the lack of legal and regulatory framework for e-transactions. Moreover, the Lebanese populace has yet to be convinced of the reliability of online transactions, and Internet and telecommunications prices remain high. In 2004, the European Union financed the establishment of a project in Lebanon to promote the development of e-commerce. More information on this project be found at <http://www.economy.gov.lb/MOET/English/Panel/Projects/Pages/ECommerce.aspx>.



## Trade Promotion and Advertising

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Lebanon is considered a regional center for the advertising industry, with offices serving most of the Arab region, including the Gulf states. Lebanon itself enjoys a sophisticated domestic audience and a thriving media sector. There are 11 television stations, 16 newspapers, over 30 magazines, and many radio stations.

Television remains the favored medium of advertising and captures half of the advertising market. Other media include print, billboards, and radio.

There are many Arabic-language dailies in Lebanon, as well as the English-language Daily Star (<http://www.dailystar.com.lb>) and the French-language L'Orient Le Jour (<http://www.lorientlejour.com>). Most newspapers have websites displaying the latest news on Lebanon.

The following are major trade fair organizers in Lebanon:

- International Fairs and Promotion (<http://www.ifpexpo.com>)
- Promofair (<http://www.promofair.com.lb>)
- BIEL Center (<http://www.bielcenter.com>)
- Hospitality Services (<http://www.hospitalityservices.com.lb>)

Major business magazines are the English-language Lebanon Opportunities (<http://www.opportunities.com.lb>), Executive Magazine (<http://www.executive-magazine.com>), Today's Outlook (<http://www.todaysoutlook.com>), Arab Ad Magazine (<http://www.arabadmag.com>), the French-language Le Commerce du Levant (<http://www.lecommercedulevant.com>), and the Arabic-language Business Week, Al-Iktissad Wal Amal (<http://www.iktissad.com>), and Al-Morakeb Al-Inmai.

## Pricing

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Imported goods are subject to customs duties and a value-added tax (VAT) of 10 percent. The Consumer Protection Department at the Ministry of Economy and Trade controls prices on bread and petroleum derivatives. The Technical Center for Price Control at the Ministry of Economy and Trade surveys supermarket prices of consumer goods every two months, and the Ministry of Health also controls the price of pharmaceuticals.

## Sales Service/Customer Support

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A number of leading Lebanese companies have sales service and customer support units, and such services are critical to maintaining market share. Lebanon has passed and implemented a Consumer Protection Law, which calls for the establishment of mechanisms for better protection of consumers.

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### IPR Climate in Lebanon

Lebanon's intellectual property (IP) legislation is generally compliant with international standards, and enforcement has improved in recent years, especially in countering cable

piracy. However, challenges remain, particularly in the pharmaceutical industry. It is advisable that U.S. companies register their patents and trademarks at the Ministry of Economy and Trade before introducing them into the marketplace. We also recommend contacting a local lawyer whenever confronted with an IPR violation. A list of lawyers practicing in Lebanon is available at the U.S. Embassy's website at <http://lebanon.usembassy.gov> or from the Department of State's American Citizen Services Office in the Bureau of Consular Affairs at <http://www.travel.state.gov>.

In 2007, the United States Trade Representative moved Lebanon from the "Priority Watch List" to "Watch List" due to improvements in the IP enforcement regime. However, problems persist with the widespread availability of pirated optical discs. Registration of copycat and counterfeit pharmaceuticals also remains problematic, although the GOL has plans to improve the protection of undisclosed information. Counterfeiting of trademarked goods continues. The judiciary must improve the implementation of IP laws, and new IP laws and amendments to increase IP rights protection still await parliamentary ratification. Lebanon ratified the WIPO Copyright Treaty or the WIPO Performances and Phonograms Treaty, also known as the Internet Treaties, in February 2010. Legislation required to comply with the latest act of the Berne Convention for the Protection of Literary and Artistic Works is still pending in parliament.

### **Protecting Your Intellectual Property in Lebanon**

Several general principles are important for effective management of intellectual property rights in Lebanon. First, it is important to have an overall strategy to protect your intellectual property. Second, intellectual property is protected differently in Lebanon than in the U.S. Third, rights must be registered and enforced in Lebanon under local laws. Your U.S. trademark and patent registrations will not protect you in Lebanon, and no "international copyright" will protect an author's writings globally. Protection against unauthorized use in a particular country depends on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions. In Lebanon, new products are officially protected when the patents, trademarks, and industrial designs are deposited with the Ministry of Economy and Trade, without further examination. Copyrights are protected and enforced without registration; registration is optional for Lebanese and foreign right holders. Registration of patents and trademarks in Lebanon is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection before marketing your products or services in the Lebanese market.

It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Lebanon. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Lebanese law. The U.S. Commercial Service can provide a list of local lawyers upon request. The list can be found on <http://lebanon.usembassy.gov/attorneys.html>.

While the U.S. Government stands ready to assist, it can do little if the rights holders have not taken these fundamental steps necessary to securing and enforcing their intellectual property in a timely fashion. Moreover, in many countries, rights holders who

delay enforcing their rights on a mistaken belief that the U.S. Government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights to you should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Lebanon require constant attention. It is advisable to work with legal counsel familiar with Lebanese laws to create a solid contract that includes non-compete clauses and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. The primary such organizations, either Lebanese or U.S.-based, are as follows:

- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)
- American Lebanese Chamber of Commerce (Amcham)
- Chamber of Commerce, Industry and Agriculture Beirut (CCIAB)
- Chamber of Commerce, Industry and Agriculture Saida (CCIAS)
- Chamber of Commerce, Industry and Agriculture Tripoli (CCIAT)
- Chamber of Commerce, Industry and Agriculture Zahle (CCIAZ)
- Association of Lebanese Industrialists (ALI)
- Professional Computer Association (PCA)

## **IP Resources**

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the U.S. and other countries -- call the STOP! Hotline at **1-866-999-HALT** or register at [www.StopFakes.gov](http://www.StopFakes.gov).

- For more information about registering trademarks and patents (both in the U.S., as well as in foreign countries), contact the U.S. Patent and Trademark Office (USPTO) at **1-800-786-9199**.
- For more information about registering for copyright protection in the U.S., contact the U.S. Copyright Office at **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at [www.StopFakes.gov](http://www.StopFakes.gov).
- For small and medium-size U.S. companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and Thailand. For details and to register, visit [http://www.abanet.org/intlaw/intlproj/iprprogram\\_consultation.html](http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html)
- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits, visit [www.StopFakes.gov](http://www.StopFakes.gov) This site is linked to the USPTO website for registering trademarks and patents (both in the U.S., as well as in foreign countries) and the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products), and it allows you to register for webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You may obtain contact information for the IP attaché who covers Lebanon at <http://www.buyusa.gov/lebanon>.

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U.S. firms wishing to do business in Lebanon are encouraged to conduct due diligence on their potential partners. To verify the bona fides of Lebanese companies, U.S. firms may request the U.S. Commercial Service International Company Profile (ICP) service. The ICP report includes factual data on the Lebanese firm's management, business activities, product lines, financial condition, credit-worthiness, trading experience, market coverage, and business connections in the country, as well as an Embassy evaluation to help U.S. firms assess risks, reliability and capability. More information about ICP can be found at <http://www.buyusa.gov/lebanon/en/internationalcompanyprofile.html>.

## Local Professional Services

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American Lebanese Chamber of Commerce: <http://www.amcham.org.lb>  
 Chamber of Commerce, Industry and Agriculture Beirut: <http://www.ccib.org.lb>  
 Chamber of Commerce, Industry and Agriculture Saida: <http://www.cciias.org.lb>  
 Chamber of Commerce, Industry and Agriculture Tripoli: <http://www.cciat.org>  
 Chamber of Commerce, Industry and Agriculture Zahle: <http://www.cciiaz.org.lb>

Association of Lebanese Industrialists: <http://www.ali.org.lb>  
Professional Computer Association: <http://www.pca.org.lb>

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U.S. Commercial Service: <http://www.buyusa.gov/lebanon/en>  
U.S. Embassy in Lebanon: <http://lebanon.usembassy.gov>  
Ministry of Economy & Trade (MOET): <http://www.economy.gov.lb>  
Council for Development and Reconstruction (CDR): <http://www.cdr.gov.lb>  
Investment Development Authority of Lebanon (IDAL): <http://www.idal.com.lb>  
Daily Star: <http://www.dailystar.com.lb>  
L'Orient Le Jour: <http://www.lorientlejour.com>  
Naharnet: <http://www.naharnet.com>  
Lebanon Opportunities: <http://www.opportunities.com.lb>  
Executive Magazine: <http://www.executive-magazine.com>  
Today's Outlook: <http://www.todaysoutlook.com>  
Arab Ad Magazine: <http://www.arabadmag.com>  
Le Commerce du Levant: <http://www.lecommercedulevant.com>  
Al-Iktissad Wal Amal: <http://www.iktissad.com>  
International Fairs and Promotion: <http://www.ifpexpo.com>  
Promofair: <http://www.promofair.com.lb>  
BIEL Center: <http://www.bielcenter.com>  
Hospitality Services: <http://www.hospitalityservices.com.lb>

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## Chapter 4: Leading Sectors for U.S. Export and Investment

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## Automotive (AUT)

### Overview

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Unit: USD thousands

	2009	2010	2011 (estimated)	2012 (estimated)
Total Market Size	1,825,000	1,520,000	1,780,000	1,780,000
Total Local Production	0	0	0	0
Total Exports	96,000	356,000	96,000	96,000
Total Imports	1,921,000	1,876,000	1,876,000	1,876,000
Imports from the U.S.	292,000	242,000	242,000	242,000
Exchange Rate: 1 USD	LL1507.5	LL1507.5	LL1507.5	LL1507.5

*Total Market Size = (Total Local Production + Total Imports) – (Total Exports)*

*Data Sources: Lebanese Customs statistics – Section 17 / Chapter 87*

The automotive sector in Lebanon witnessed a decline of 16 percent in 2010, with total imports valued at \$1,876 million. U.S. automobile exports to Lebanon reached \$242 million in 2010, representing 13 percent of total Lebanese automotive imports. According to local importers, automotive imports to Lebanon for the coming two years are expected to reach the same figures as 2010.

### Sub-Sector Best Prospects

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Demand for Sport Utility Vehicles (SUVs) in Lebanon has been growing. According to private sector sources, around ten percent of cars imported to Lebanon are SUVs. This percentage is expected to grow due to SUVs' heavy-duty performance on poor quality roads throughout the country. Lebanese buy American SUVs because of their competitive price, high quality, and long record of success in the market. Moreover, demand for U.S. automotive parts such as brakes, clutches, engine lubricants, and safety accessories are increasing because they have demonstrated a quality advantage over foreign competitors.

### Opportunities

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The Lebanese Car Importers Association co-organizes the Motor Show, a bi-annual trade fair for the automotive industry in Lebanon. The Motor Show presents significant opportunities for U.S. companies to introduce their products and services to the Lebanese market. For more information, visit <http://www.promofair.com.lb>.

The U.S. Commercial Service organizes Made in America, an annual trade fair for U.S. products and services in Beirut. U.S. companies that are interested in exploring the Lebanese market are encouraged to exhibit at Made in America. For more information, visit [http://www.buyusa.gov/lebanon/en/madeinamerica\\_.html](http://www.buyusa.gov/lebanon/en/madeinamerica_.html).

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Lebanon Motor Show: <http://www.promofair.com.lb>

Lebanese Customs Authority: <http://www.customs.gov.lb>

Made in America: [http://www.buyusa.gov/lebanon/en/madeinamerica\\_.html](http://www.buyusa.gov/lebanon/en/madeinamerica_.html)

For additional information on Lebanon's automotive market, please contact the Embassy by e-mail at [Naaman.Tayyar@trade.gov](mailto:Naaman.Tayyar@trade.gov).



## Drugs/Pharmaceuticals

### Overview

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Unit: USD thousands

	2009	2010	2011 (estimated)	2012 (estimated)
Total Market Size	754,000	860,000	966,000	1,129,000
Total Local Production	17,000	18,000	19,000	20,000
Total Exports	16,000	17,000	18,000	19,000
Total Imports	753,000	859,000	965,000	1,128,000
Imports from the U.S.	54,000	69,000	84,000	99,000
Exchange Rate: 1 USD	LL1507.5	LL1507.5	LL1507.5	LL1507.5

*Total Market Size = (Total Local Production + Total Imports) – (Total Exports)*

*Data Sources: Lebanese Customs statistics – Section 6 / Chapter 30*

Lebanon is the leading importer of pharmaceutical drugs in the Levant with over 50 pharmaceutical importers. Total pharmaceutical imports to Lebanon totaled \$859 million in 2010. Since the local pharmaceutical production industry is weak, imports constitute over 95 percent of the total available products in the market. U.S. imports accounted for 8.7 percent of total imports in 2010. According to local experts, pharmaceutical imports to Lebanon for the coming two years are expected to witness the same growth that occurred in 2009 and 2010.

### Sub-Sector Best Prospects

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U.S. pharmaceutical products have an advantage over European products in the biotechnology, high-tech, anti-cancer, and cardiovascular fields. Moreover, any new leading American drug that is not yet manufactured in Europe is well received in Lebanon.

### Opportunities

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The U.S. Commercial Service organizes Made in America, an annual trade fair for U.S. products and services in Beirut. U.S. companies that are interested in exploring the Lebanese market are encouraged to exhibit at Made in America. For more information, visit [http://www.buyusa.gov/lebanon/en/madeinamerica\\_.html](http://www.buyusa.gov/lebanon/en/madeinamerica_.html).

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Ministry of Public Health: <http://www.public-health.gov.lb>

Lebanese Customs Authority: <http://www.customs.gov.lb>

Made in America: [http://www.buyusa.gov/lebanon/en/madeinamerica\\_.html](http://www.buyusa.gov/lebanon/en/madeinamerica_.html)

For additional information on Lebanon's market for drugs and pharmaceuticals, please contact the Embassy by e-mail at [Naaman.Tayyar@trade.gov](mailto:Naaman.Tayyar@trade.gov).

## Medical Equipment (MED)

### Overview

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Unit: USD thousands

	2009	2010	2011 (estimated)	2012 (estimated)
Total Market Size	197,000	233,000	269,000	305,000
Total Local Production	1,000	1,000	1,000	1,000
Total Exports	9,000	12,000	15,000	18,000
Total Imports	205,000	244,000	283,000	322,000
Imports from the U.S.	49,000	58,000	67,000	76,000
Exchange Rate: 1 USD	LL1507.5	LL1507.5	LL1507.5	LL1507.5

*Total Market Size = (Total Local Production + Total Imports) – (Total Exports)*

*Data Sources: Lebanese Customs statistics – Section 18 / Chapter 90.*

Lebanon's market for medical equipment increased by 18 percent in 2010 compared to 2009, with total imports valued at \$244 million. This growth can be attributed to the high quality of U.S. medical equipment and its competitive value due to the weakness of the dollar in relation to the euro. U.S. medical exports to Lebanon reached \$58 million in 2010, and U.S. market share exceeded 24 percent. According to local experts, medical imports to Lebanon for the coming two years are expected to witness the same growth that occurred in 2009 and 2010.

### Sub-Sector Best Prospects

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U.S. products have an advantage over European products in the medical sector due to their high quality and long record of success in the Lebanese market. Moreover, demand for these products is increasing due to the weakness of the dollar in relation to euro.

### Opportunities

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Lebanon is an ideal location for establishing a regional office to cover the Levant, including Iraq, since the Lebanese market has been used as a platform for testing U.S. products prior to introducing them to the rest of the Levant market. Opportunities to form partnerships with local companies are very common in the medical and healthcare sectors.

The U.S. Commercial Service organizes Made in America, an annual trade fair for U.S. products and services in Beirut. U.S. companies that are interested in exploring the Lebanese market are encouraged to exhibit at Made in America. For more information, visit [http://www.buyusa.gov/lebanon/en/madeinamerica\\_.html](http://www.buyusa.gov/lebanon/en/madeinamerica_.html).

### Web Resources

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Ministry of Public Health: <http://www.public-health.gov.lb>

Lebanese Customs Authority: <http://www.customs.gov.lb>

Made in America: [http://www.buyusa.gov/lebanon/en/madeinamerica\\_.html](http://www.buyusa.gov/lebanon/en/madeinamerica_.html)

For additional information on Lebanon's market for medical equipment, please contact the Embassy by e-mail at [Naaman.Tayyar@trade.gov](mailto:Naaman.Tayyar@trade.gov).

## Plastic Materials/Resins (PMR)

### Overview

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Unit: USD thousands

	2009	2010	2011 (estimated)	2012 (estimated)
Total Market Size	310,000	408,000	506,000	604,000
Total Local Production	0	0	0	0
Total Exports	117,000	111,000	105,000	99,000
Total Imports	427,000	519,000	611,000	703,000
Imports from the U.S.	16,000	19,000	22,000	25,000
Exchange Rate: 1 USD	LL1507.5	LL1507.5	LL1507.5	LL1507.5

*Total Market Size = (Total Local Production + Total Imports) – (Total Exports)*

*Data Sources: Lebanese Customs statistics – Section 7 / Chapter 39.*

Lebanon's market for raw materials for plastics witnessed a growth of 31 percent in 2010 compared to 2009, with total imports valued at \$519 million. U.S. exports to Lebanon reached \$19 million in 2010, and U.S. market share was 3.7 percent in 2010. According to local experts, imports of raw materials for plastics to Lebanon for the coming two years are expected to witness the same growth that occurred in 2009 and 2010.

### Sub-Sector Best Prospects

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Local production of raw material for plastics is negligible. Therefore, Lebanon imports all its raw materials in the form of granules, which are processed in Lebanon and used in the Lebanese market. Around 25 percent of the processed granules are re-exported to other countries.

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The U.S. Commercial Service organizes Made in America, an annual trade fair for U.S. products and services in Beirut. U.S. companies that are interested in exploring the Lebanese market are encouraged to exhibit at Made in America. For more information, visit [http://www.buyusa.gov/lebanon/en/madeinamerica\\_.html](http://www.buyusa.gov/lebanon/en/madeinamerica_.html).

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Lebanese Customs Authority: <http://www.customs.gov.lb>

Made in America: [http://www.buyusa.gov/lebanon/en/madeinamerica\\_.html](http://www.buyusa.gov/lebanon/en/madeinamerica_.html)

For additional information on Lebanon's market for raw material for plastics, please contact the Embassy by e-mail at [Naaman.Tayyar@mail.doc.gov](mailto:Naaman.Tayyar@mail.doc.gov).

## Apparel (APP)

### Overview

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Unit: USD thousands

	2009	2010	2011 (estimated)	2012 (estimated)
Total Market Size	542,000	556,000	570,000	584,000
Total Local Production	210,000	210,000	210,000	210,000
Total Exports	65,000	68,000	71,000	74,000
Total Imports	397,000	414,000	431,000	448,000
Imports from the U.S.	9,000	10,000	11,000	12,000
Exchange Rate: 1 USD	LL1507.5	LL1507.5	LL1507.5	LL1507.5

*Total Market Size = (Total Local Production + Total Imports) – (Total Exports)*

*Data Sources: Lebanese Customs statistics – Section 11 / Chapters 61, 62.*

Lebanon attracts a large number of Arab tourists every year who significantly boost retail activity in the country, resulting in steady growth in the apparel sector. U.S. apparel exports to Lebanon reached ten million dollars in 2010, constituting around 2.4 percent of total apparel imports to Lebanon. According to local experts, these exports are expected to increase gradually in the coming two years. Many U.S. brands, including Tommy Hilfiger, Nautica, Marc Jacobs, Seven Jeans, Rock and Republic Jeans, Citizens of Humanity Jeans, True Religion Jeans, Polo, and Ralph Lauren are very popular in the Lebanese market.

### Sub-Sector Best Prospects

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The trend in Lebanon is moving from high-end haute couture to casual wear, where most Lebanese consider U.S. brands to be the leader. Thus, demand for U.S. apparel has been increasing steadily. Lebanese buyers regularly travel to the Magic Apparel Show in Las Vegas and the Coterie Show in New York to explore the latest trends in the U.S. fashion industry.

### Opportunities

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The U.S. Commercial Service organizes Made in America, an annual trade fair for U.S. products and services in Beirut. U.S. companies that are interested in exploring the Lebanese market are encouraged to exhibit at Made in America. For more information, visit [http://www.buyusa.gov/lebanon/en/madeinamerica\\_.html](http://www.buyusa.gov/lebanon/en/madeinamerica_.html).

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Lebanese Customs Authority: <http://www.customs.gov.lb>

Made in America: [http://www.buyusa.gov/lebanon/en/madeinamerica\\_.html](http://www.buyusa.gov/lebanon/en/madeinamerica_.html)

For additional information on Lebanon's market for apparel, please contact the Embassy by e-mail at [Naaman.Tayyar@trade.gov](mailto:Naaman.Tayyar@trade.gov).

## Education Services (EDS)

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	2008/2009	2009/2010
Total Market Size	198,500	210,211
Total Lebanese Students enrolled in Universities	173,500	180,850
Total Foreign Students in Lebanon	25,000	29,361
Lebanese Students in the U.S.	1,823	1,608

*(Figures are estimates in numbers of students and based on Institute of International Education (IIE) and the Lebanese Ministry of Education statistics)*

Lebanon has one of the best educational systems in the Middle East. There are currently 210,211 students enrolled in public and private universities throughout Lebanon, and over 1,600 Lebanese students are currently studying in the U.S.

### Sub-Sector Best Prospects

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The number of Lebanese students in the U.S. decreased during the 2009/2010 school year compared to 2008/2009 due to the advanced Lebanese educational system and the increasing cost of education in the U.S.

U.S. educational franchises are doing well in Lebanon. The U.S. franchise New Horizon, which provides computer training, captures over 40 percent of the Lebanese market. The U.S. franchise Berlitz, which provides language training, has approximately 25 percent of the market.

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Institute of International Education (IIE): <http://www.iie.org/en>

Ministry of Education and Higher Education: <http://www.higher-edu.gov.lb>

For additional information on Lebanon's market for education services, please contact the Embassy by e-mail at [Maya.Barhouche@trade.gov](mailto:Maya.Barhouche@trade.gov).

### Agriculture

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According to Lebanese customs statistics (chapters 1-24), Lebanon's total agricultural imports reached \$2.852 billion in 2010. Of that total, \$162 million or 5.7 percent were from the U.S. Major U.S. agricultural exports to Lebanon include cereals (\$60 million), tobacco (\$33 million), edible fruits and nuts (\$20 million), animal or vegetable fats and oils (\$8 million), dairy products (\$5 million), meat (\$4 million), and beverages, spirits, and vinegar (\$2 million)

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Lebanese Customs Authority: <http://www.customs.gov.lb>

For additional information on Lebanon's market for agricultural products, please contact the Embassy by e-mail at [Naaman.Tayyar@trade.gov](mailto:Naaman.Tayyar@trade.gov).

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## Chapter 5: Trade Regulations, Customs and Standards

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- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
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### Import Tariffs

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More than 83 percent of imported goods are subject to duties equal to or below five percent. The Lebanese customs website (<http://www.customs.gov.lb>) provides a searchable database that displays import duties by tariff number.

### Trade Barriers

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Less than one percent of imports and exports of goods are subject to a number of trade measures imposed by ten Lebanese government state bodies. Measures include prohibitions, licenses, technical certificates, veterinary certificates, and phyto-sanitary certificates. All goods subject to import and export prohibitions are also prohibited from transiting Lebanon. A limited number of goods (e.g. weapons) are subject to more than one trade measure. To find out whether a specific product is subject to non-tariff barriers, consult the Lebanese customs website at <http://www.customs.gov.lb> or Lebanon's Non-Tariff Measure Survey published on the World Trade Organization (WTO) trade section of the Ministry of Economy and Trade's website at <http://www.economy.gov.lb/MOET/English/Panel/Trade/InternationalTradeAgreements/Pages/WTO.aspx>

Lebanon adheres to the Arab League boycott of Israel. Enforcement is selective, as many goods on the boycott list are available in the Lebanese market. The Arab League's Central Boycott Office maintains a blacklist of U.S. firms that are believed to contribute to Israel's military or economic development. In accordance with U.S. anti-boycott regulations, U.S. companies may not certify that their products do not come from Israel. If there appears to be any request that might be in support of boycotts, companies should contact the Bureau of Industrial Security (BIS) in the U.S. Department of Commerce (<http://www.bis.doc.gov>).

### Import Requirements and Documentation

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### **Import processing requires the following documents:**

- Declaration form based on the Single Administrative Document (SAD)
- Bill of lading
- Packing list
- Commercial invoice (original)
- Delivery order (to prove ownership of goods)
- Quietus from the Social Security Office renewed every 6 months (required only for legal persons and commercial establishments)
- Contract of sale between importer and seller in the country of exportation (may be requested for value verification only in case customs officers doubt the invoice value)
- Certificate of origin, issued by the chamber of commerce of the country of exportation (required in case importer wishes to benefit from preferential treatment)
- Depending on the type of imported good, a number of other documents may also be required, including import licenses, certificates of conformity to mandatory standards, or phyto-sanitary certificates.

### **Export processing requires the following documents:**

- Declaration form based on the Single Administrative Document (SAD)
- Packing list
- Invoice
- Certificate of origin issued by the Chamber of Commerce, except for exports to Europe. The certificate of origin must be certified by the Ministry of Agriculture for all food products of plant origin and by the Ministry of Industry for all industrial products. Certificates of origin for exporting industrial products to Europe are issued by the Ministry of Industry in accordance with EUR 1 and FORM A and are certified by Customs.
- Quietus from the Social Security Office renewed every 6 months (required only for legal persons and commercial establishments)
- A number of other documents may also be required depending on the type of exported good. They include licenses, conformity and export certificates for quality verification for all food products of plant origin, and agricultural health certificates.

## **U.S. Export Controls**

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Lebanon is not subject to special sanctions. In principle, all exports require a license, though in practice the vast majority of U.S. exports fall under a “general license” that allows export without obtaining permission from the Bureau of Industrial Security (BIS) in the U.S. Department of Commerce (<http://www.bis.doc.gov>). When doing business with Lebanon, U.S. exporters should consider the below U.S. export regulations:

For a number of items, a specific export license is required. These items include products whose high-tech nature implies that export may involve a national security risk. Contacting BIS will enable an exporter to determine whether or not a specific item requires a license. If a specific license is required, one of the considerations will be the reliability of the end-user. Government agencies and companies with a solid business reputation are more likely to be granted a license.

U.S. companies need to verify whether the U.S. government has blacklisted a particular Lebanese company or individual as a result of past violations of export regulations or for

other reasons. U.S. companies should consult the BIS Denied Persons List and the Treasury Department's Office of Foreign Assets Control lists of designated companies and individuals, which are available online at <http://www.bis.doc.gov> and <http://www.treas.gov/offices/enforcement/ofac>.

## **Temporary Entry**

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There are two types of permits for the entry of temporary goods into Lebanon. Customs grants a regular temporary entry permit to foreign products that will be manufactured or finished in Lebanon and then re-exported outside Lebanon or displayed in free zones. This permit is valid for six months and may be renewed for up to two years.

The director general of Customs may grant a special temporary entry permit for a range of products intended for temporary use. However, the period of the permit is limited to three months. Goods subject to the special permit include the following:

- Equipment and machinery used in public works, archeology, cinema, and journalism.
- Goods or samples to be displayed in trade fairs.
- Goods intended or used for maintenance and repair.
- Empty containers or packages to be filled in Lebanon and re-exported or full containers or packages to be emptied in Lebanon and then re-exported.

## **Labeling and Marking Requirements**

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Labels should include the net weight of the product, manufacture and expiry date, ingredients, and origin. Labeling language varies among Arabic, English, and French. Products with Hebrew labels are not accepted. Should you need further information, please contact the Ministry of Economy and Trade at <http://www.economy.gov.lb>.

## **Prohibited and Restricted Imports**

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Prohibited imports include the following:

- Cedar seeds and seedling (to protect Lebanese cedar species)
- Chemical improvers used in bread making (health measure)
- Table salt not containing iodine (health measure)
- Waste/slag/ash/scrap of many chemical, mineral and metal products (environmental measure)
- Clinker and black cement (protection of local industry)
- Passenger vehicles older than 8 years and transport vehicles older than 5 years (environmental measure)
- Used medical and radiological apparatus (health measure)
- Gas-fueled pocket lighters (safety measure)
- Wireless phone sets that function on the 900 Megahertz bandwidth.

As noted above, Lebanon adheres to the Arab League Boycott of Israel. As a result, Lebanon prohibits the import of goods manufactured in or originating from Israel.

## **Customs Regulations and Contact Information**

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Lebanon follows the harmonized system for its tariff regime. Lebanon's modern customs law simplifies and expedites customs procedures, adopts international standards for the valuation of goods, applies modern and fair dispute settlement procedures, allows for electronic declaration of goods, and fosters the development of industrial and free zones. This law has reduced delays and administrative burdens in clearing imported products through customs at the airport and ports, but exporters are advised to contact local customs agents to expedite the clearing process. Customs has been very active in introducing online operations for its automated clearance system, thereby allowing traders and custom brokers to enter and track customs declarations online. When fully implemented, users will be able to register online, as well as assess and pay declarations directly from their bank accounts.

For further information on customs procedures, please refer to the Lebanese customs website at <http://www.customs.gov.lb>

#### **Key contacts:**

##### **General Directorate of Customs**

Beirut, Lebanon

Tel: 961-1-980060/1/2/3/4/5/6

Fax: 961-1-643826

##### **Higher Council for Customs**

Beirut, Lebanon

Tel: 961-1-988500/1

Fax: 961-1-988080

#### **Standards**

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#### **Overview**

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The Lebanese Standards Institution, known as LIBNOR, is the sole authority in Lebanon charged with issuing, publishing, and amending Lebanese standards. A number of state bodies (including the ministries of telecommunications, energy and water, industry, public health, environment, agriculture, economy and trade, and transport and public works) issue technical regulations connected with products in the form of ministerial decisions and decrees issued by the cabinet. LIBNOR develops an annual update of standards.

## Standards Organizations

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By law, LIBNOR, which is affiliated with the Ministry of Industry, is designated as the sole authority in Lebanon to issue, publish, and amend Lebanese voluntary standards. LIBNOR is also designated as the sole authority to give the right to use the conformity label (kitemark). Programs for drafting standards are set annually. LIBNOR's board of directors approves the annual plans, submitted by LIBNOR's director general, for preparing new standards or amending existing ones. The annual program for drafting standards is also available through LIBNOR's website at <http://www.libnor.org>.

### **NIST Notify U.S. Service**

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

## Conformity Assessment

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The following six laboratories are the main national testing bodies in Lebanon:

- The laboratories of the Industrial Research Institute (IRI), affiliated with the Ministry of Industry, test for all types of products.
- The central laboratory at the Ministry of Public Health (for food products).
- The laboratory of the Agricultural Research Institute at the Ministry of Agriculture (for food products).
- The American University of Beirut laboratory of chemistry and pharmacology.
- The French Medical Institute laboratory of chemistry and pharmacology at Saint Joseph University.
- The nuclear medicine laboratory at Notre Dame du Liban Hospital.

## Product Certification

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The Industrial Research Institute provides certificates of quality or conformity with standards and purchase requirements. Certificates of conformity or quality issued by foreign companies such as SGS and Veritas are also honored in Lebanon. In addition, several ministries issue certificates of conformity. The Ministry of Agriculture has the authority to issue certificates of conformity for exported agricultural products. The Ministry of Economy and Trade issues conformity and export certificates at the request of the exporter. The Ministry of

Public Health issues health certificates at the request of the exporter. There are no mutual responsibility agreements (MRAs) with U.S. organizations.

#### **Accreditation**

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Conseil Libanais D'Accreditation (Colibac), which is part of the Ministry of Industry, is the only accreditation body in Lebanon. The IRI laboratories are the authorized chemical and micro-biological laboratory used for accreditation.

#### **Publication of Technical Regulations**

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Once the LIBNOR board committee agrees on draft standards, LIBNOR announces a trial period of two months. This announcement is sent directly to the National News Agency, several local newspapers, all members of the technical committee, local state television and LIBNOR's website. Board members may also publish the draft standard or make it known to the relevant bodies they represent. Once adopted, all standards and decrees are published in Lebanon's official gazette. Because Lebanon is not yet a WTO member, there is no formal procedure for notification. U.S. entities can comment on technical regulations via e-mail to LIBNOR.

#### **Labeling and Marking**

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Labels on containers and packages require the display of the size, weight, or quantity of the goods contained therein. The consumer protection division at the Ministry of Economy and Trade currently enforces the law. Failure to comply with the requirements subjects the violator to penalties.

#### **Contacts**

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LIBNOR is the national inquiry point in Lebanon on standards and technical regulations resulting from conversion of standards.

##### **LIBNOR**

9<sup>th</sup> Floor, Bloc B, Gedeco 3 Center

Fouad Shehab Avenue, Sin El-Fil

PO Box 55120

Beirut, Lebanon

**Tel:** 961 1 485 927/8

**Fax:** 961 1 485 929

**E-mail:** [info@libnor.org](mailto:info@libnor.org)

**Website:** <http://www.Libnor.org>

The standards point of contact at the U.S. Embassy in Beirut can be reached at <http://www.buyusa.gov/lebanon>

#### **Trade Agreements**

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Lebanon is traditionally a country with a free and open trade regime. Efforts towards trade liberalization have been focused on the European Union (EU), the World Trade Organization (WTO), and the Arab world.

Lebanon has neither a free trade arrangement nor a bilateral investment treaty with the U.S, although on December 1, 2006, Lebanon signed a Trade and Investment Framework Agreement (TIFA) with the U.S. The TIFA helps both countries promote an attractive investment climate, expand trade relations, and remove impediments to trade and investment.

Lebanon is seeking to accede to the WTO. Having gained observer status in 1999, Lebanon held its seventh working party meeting in October 2009.

Lebanon's Euro-Mediterranean Partnership agreement came into force in April 2006. The agreement provides for reciprocal free trade on the majority of industrial goods. It also liberalizes trade on a large basket of agricultural and processed agricultural goods. The Euro-Med Partnership aims at establishing a free trade area for the Mediterranean region, but efforts to achieve this goal are still ongoing.

In 2004, Lebanon and the European Free Trade Association (EFTA) signed a free trade agreement. EFTA granted market access on industrial goods beginning in 2005, while Lebanon will progressively dismantle tariff on industrial products between 2008 and 2015. The agreement covers trade in industrial goods and processed agricultural products, as well as investment and government procurement. Bilateral agreements between Lebanon and individual EFTA states were also signed in 2004 covering trade in agriculture products.

Lebanon has signed a number of free trade agreements with Arab countries. Lebanon is a signatory to the Arab League's Greater Arab Free Trade Area (GAFTA), an agreement among 17 Arab countries. Import duties among GAFTA countries were fully eliminated on January 1, 2005. In November 2010, Lebanon and Turkey signed a free trade agreement that will remove barriers to the free movement of goods, services, capital, and people over the next ten years. Lebanon has signed a number of bilateral free trade agreements with Arab countries to expedite trade integration. Those include Syria (effective 1999), Egypt (effective 1999), Kuwait (effective 2000), the UAE (effective 2001), Iraq (effective 2002), and Jordan (signed in 2002, but not ratified).

More information about trade agreements can be found at the Ministry of Economy and Trade's website at <http://www.economy.gov.lb>.

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Lebanese Customs Authority: <http://www.customs.gov.lb>.

LIBNOR: <http://www.libnor.org>.

Ministry of Economy: <http://www.economy.gov.lb>.

Ministry of Industry: <http://www.industry.gov.lb>.

Bureau of Industrial Security (BIS): <http://www.bis.doc.gov>.

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## Chapter 6: Investment Climate

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### Openness to Foreign Investment

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Lebanon is a country that, by tradition, remains open to foreign direct investment. Over the last seven years, the Government of Lebanon (GoL) has passed several laws and decrees to encourage such investment. The Investment Development Authority of Lebanon (IDAL) possesses the authority to award licenses and permits for new investments in specific sectors. IDAL also has the authority to grant special incentives, exemptions, and facilities to large projects, whether implemented by local or foreign investors. IDAL's Export-Plus program provides subsidies to encourage agricultural exports, and IDAL's "Investors Matching Service" facilitates the creation of strategic international-local partnerships through joint ventures, equity participation, acquisition, and other vehicles. IDAL continues to work on setting up its Investor Support and Information Center (ISIC), a data bank that will provide comprehensive, reliable, and up-to-date investment-related information to prospective investors.

Lebanon has many investment-enabling strengths that have encouraged foreign companies to set up offices in the country. Lebanon's key advantages include a free-market economy, the absence of controls on the movement of capital and foreign exchange, a highly-educated labor force, good quality of life, and limited restrictions on investors.

Lebanon was not severely affected by the global financial crisis due to sound banking regulations that prohibit investing in structured products, and commercial banks

continue to record high liquidity levels. Although they are the largest lenders to the GoL, commercial banks also are interested in financing the government's privatization programs. The banking sector continues to record significant capital inflows, albeit at a slower pace than during previous years. Capital inflows reached \$14.8 billion for the first eleven months of 2010 and were projected to reach \$16-17 billion by the end of 2010. This is attributable to the perception that Lebanon's banking sector is relatively safe, given its high liquidity and high interest rates on deposits. Moreover, the number of tourists in 2010 which rose by 18 percent over the previous year, contributed to capital inflows.

Banking sources have adopted a "wait and see" attitude to the level of political risk in 2011, but investment and consumption are both expected to continue to grow, albeit at a slower pace. As a result, the Lebanese economy may slow down to five-percent growth (compared with eight-percent growth in 2010). The GoL is expected to increase capital investment in 2011, should it ratify the 2010 budget, which would support growth and increase deposits to the banking sector. Banks anticipate an increase in capital inflows and foreign direct investment, as well as improvement in exports due to an improved external environment in 2011.

While the public deficit and public debt could be a major issue of concern for investors, the GoL -- in line with the IMF -- stresses that the debt-to-GDP ratio has been on a downward trend over the last four years and was projected to reach 134-percent in 2010, down from 160-percent in 2009. While the finance ministry has been keen to maintain this positive trend, banking sources forecast this ratio to remain in the 130-percent range in 2011 due to the anticipated increase in capital spending in the absence of structural reform, thus raising the budget deficit. Given the high liquidity in the domestic banking sector, the GoL should not face difficulties in rolling over sovereign maturities in 2011.

Some issues continue to cause frustration among local and foreign businessmen. Impediments include red tape and corruption, arbitrary licensing decisions, complex customs procedures, archaic legislation, an ineffectual judicial system, high taxes and fees, flexible interpretation of laws, and weak enforcement of intellectual property rights. These factors have pushed the International Finance Corporation (IFC) in its 2011 report to rank Lebanon 113 out of 183 countries worldwide and 11 out of 19 MENA countries in terms of ease of doing business. The only noticeable improvement was that Lebanon moved up five spots in the "starting a business" category. Entrepreneurs need only five steps to start a business in Lebanon, compared with 8.1 and 5.6 procedures in the MENA region and Organization for Economic Co-operation and Development countries, respectively. However, Lebanon's scores fell in most other categories, such as dealing with licenses, registering property, getting credit, protecting investors, and paying taxes. Its ranking remained unchanged in the trading across borders, enforcing contracts, and closing a business categories.

The government continues to express a strong commitment to improving the business environment through its reform program submitted at the Paris III International Donors' Conference in January 2007, although implementation has stalled. In January 2006, the Ministry of Economy and Trade (MoET) signed an agreement with the IFC to help streamline business registration procedures in Lebanon. A short-term business registration simplification solution was endorsed in September 2007, but its implementation has stalled. The MoET's amendments to the Code of Commerce to



further streamline business are pending parliamentary approval. In June 2010, a conference was held under the auspices of the Prime Minister, in collaboration with the World Bank and the International Finance Corporation, along with public and private sector stakeholders to review reform measures to streamline business, and a subsequent inter-ministerial committee was established to formulate and implement reforms. In 2010, 56 foreign companies, including six U.S. companies, opened offices or branches in Lebanon, according to statistics from the MoET.

Lebanon received mixed results in the World Bank's latest annual governance survey (issued in 2009), ranking 147 out of 213 countries worldwide and 14 out of 20 MENA countries, compared to 146 worldwide and 13 out of 20 MENA countries in the 2008 survey. The report noted that the results showed marginal improvement year-on-year but still reflected a weak level of governance in Lebanon. Regarding individual indicators used in the survey, Lebanon improved in terms of political stability, regulatory quality (measuring market-friendly policies and laws), rule of law, and control of corruption and regressed in terms of government effectiveness and voice and accountability indicator (measuring citizens' ability to participate in government selection, freedom of expression, freedom of association, and a free media).

Privatization was a key component of the Hariri government's economic reform program, but it was never implemented. Progress on privatization will be dependent on political will, as well as global market conditions. While the GoL says that it is committed to improving the investment climate by amending existing laws and streamlining administrative procedures, as well as encouraging domestic and foreign investment and public-private partnerships, the paralysis that marked the Hariri government resulted in a virtual freeze in the passage of any legislation, including legislation necessary to improve the business climate. The draft Public-Private Partnership (PPP) Law has been pending in the cabinet since April 2010 because of political disagreements. Ratification of the PPP legislation would open new opportunities for local and international private sector investment in Lebanon.

The GoL insists that it plans to restructure the telecommunications sector in accordance with Law 431 (on the privatization of telecommunications); improve the landline and mobile network infrastructure to improve coverage and quality of service; and expand internet bandwidth. The Ministry of Telecommunications (MOT) has started broadband expansion, contracting with two companies to connect local telephone centers with fiber optic networks, and in the mobile sector it has embarked on a 3G expansion to offer new services and higher bandwidth. Meanwhile, the GoL continues to contract the management of the two government-owned cellular companies to private operators.

In March 2007, Booz Allen Hamilton completed a plan for setting up Liban Telecom by merging MOT directorates and Ogero (the public company in charge of fixed-line maintenance and the country's ADSL provider). This plan has not yet been implemented because of lack of political consensus for the appointment of the Liban Telecom Board and is not expected to come to fruition anytime soon. Law 431 granted Liban Telecom a third cellular license and opens the company for privatization through the sale of 40 percent of its shares in a first stage. In December 2010, the Telecommunications Regulatory Authority (TRA) renewed a total of 22 licenses for data and service providers, and there is potential for additional licensing when political conditions improve.

As for the power sector, on June 21, 2010, the cabinet unanimously endorsed the Ministry of Energy and Water (MoEW) policy paper for the power sector. The paper includes ten strategic initiatives covering development of electricity infrastructure (production, transmission, distribution), supply and demand (fuel sourcing, renewable energy, tariffs, other related issues), and legal framework (corporatization of the national power company Electricite du Liban [EDL], standards, and legal stakes.) The plan's target is to gradually reach 4000 MGW generation capacity in 2014, thereby providing electricity 24 hours daily. Its total cost of \$4.87 billion was projected to be financed jointly by the government, private sector investment, and loans from international donors. The long-term plan includes expanding generation capacity to 5000 MGW after 2015, on the basis of an additional investment of \$1.650 billion. Some of the proposals would need cabinet endorsement of relevant decrees, while others would require new legislation endorsed by parliament. If implemented, the plan offers good opportunities for U.S. technology and investors.

Meanwhile, the International Finance Corporation (IFC) has helped in preparing the due diligence report for an independent power producer (IPP) in Deir Ammar. However, after political conflicts put the IPP on hold, the Ministry of Energy and Water (MoEW) opted to resort to public procurement to execute this project.

Lebanon endorsed the Hydrocarbon Law for offshore gas exploration in August 2010, and work has started to prepare implementation decrees. However, the appointment of the members of the Petroleum Regulatory Authority would also necessitate political consensus. Meanwhile, in December 2010, the MoEW publicly announced that the first round of licensing for offshore gas exploration will take place in 2011, with the official tender announcement on the exploration licenses and bid submissions to be announced by the end of November 2011.

In December 2010, the MoEW issued a water strategy that included construction of dams, hill lakes, and wastewater treatment plants, and the ministry is keen to attract private sector participation to water projects. Also in December, the MoEW offered a public presentation to bankers focused on how the private sector can play a role in financing the construction of dams. Senior banking sources indicated that the banking sector in Lebanon has the capacity and is willing to finance private sector entities contracted to execute such projects.

Other infrastructure projects also offer opportunities to foreign investors. The Council for Development and Reconstruction (CDR) is responsible for tendering and procuring funding for government physical infrastructure projects (electricity, telecommunications, roads, and public transport), social infrastructure (education, public health, social and economic development, land use, and environment), basic services (water supply, wastewater, solid waste management), and productive sectors (agriculture, irrigation, ports, airports, tourism, and government buildings). According to the latest CDR progress report of November 2010, 641 contracts valued at approximately \$3 billion were in progress by the end of December 2009. Public infrastructure opportunities lie primarily in roads and highways, ports, electricity, education, solid waste management, wastewater, and water supply. As of the end of 2010, the CDR possessed a total of \$2 billion in loans and protocols ratified by parliament but not yet disbursed. As of September 2010, CDR had a total of \$337 million in additional loans awaiting parliamentary approval (including financing for the private sector). Furthermore, the CDR had nearly \$600 million in grants remaining from pledges offered prior to Paris III

and earmarked for public investment for post-July 2006 war reconstruction; the CDR has already spent around half of this assistance. Although donors pledged another \$2.7 billion in project financing at the Paris III Conference, the CDR has a limited absorptive capacity and targets annual spending at around \$750 million.

A foreigner can establish a business under the same conditions that apply to a Lebanese national, provided the business is registered in the Commercial Registry. Foreign investors who do not manage their business from Lebanon do not need to apply for a work permit. However, foreign investors who own and manage their business from Lebanon must apply for an employer work permit and a residency permit. The employer work permit stipulates that the investor's share in the capital not be less than \$67,000 and that the investor pledge to hire three Lebanese and register them at the National Social Security Fund (NSSF) within six months. All companies established in Lebanon must abide by the Lebanese Commercial Code and regulations and are required to retain the services of a lawyer. The judiciary upholds the sanctity of contracts. There are no sector-specific laws on acquisitions, mergers, or takeovers, except for bank mergers.

Lebanese law does not differentiate between local and foreign investors, except in land acquisition (see property section below). Foreign investors can generally establish a Lebanese company, participate in a joint venture, or establish a local branch or subsidiary of their company without difficulty. Specific requirements apply for holding and offshore companies, real estate, insurance, media (television and newspapers), and banking.

The establishment of joint-stock corporations, limited liability, and offshore and holding companies is allowed under Lebanese law. A joint-stock corporation (Societe Anonyme Libanaise - SAL) is governed by Legislative Decree No. 304, dated January 24, 1942, under the Commercial Code. Limitations related to foreign participation include a general limitation on management participation (Article 144 stipulates that the majority of the board of directors should be Lebanese); indirect limitation with regard to acquisition of capital shares (Article 147); limitation on capital shares with regard to public utilities (Article 78); and limitation on capital shares and management with regard to exclusive commercial representation (Legislative Decree No. 34/67, dated August 5, 1967). In the financial sector, most establishments, including banking and insurance, must take the form of a joint-stock company.

A limited liability company (Societe a Responsabilite Limitee - SARL) is governed by Legislative Decree No. 35, dated August 5, 1967. It can be fully owned by non-Lebanese, and the management of the company can be controlled by non-Lebanese.

Holding and offshore companies follow the legal form of a joint-stock corporation and are governed by Legislative Decree No. 45 (on holdings) and Legislative Decree No. 46 (on offshore companies), both dated June 24, 1983, and amended by Law No. 19, dated September 5, 2008. A foreign non-resident chairman/general manager of a holding or an offshore company is exempt from the obligation of holding work and residency permits. Law No. 772, dated November 2006, exempts holding companies from the obligation of having two Lebanese persons or legal entities on their board of directors. All offshore companies must register with the Beirut Commercial Registry. Offshore banking, trust, and insurance companies are not permitted in Lebanon.

Law No. 296, dated April 3, 2001, which amended the 1969 Law No. 11614, governs foreign acquisition of property. The new law eased legal limits on foreign ownership of property to encourage investment in Lebanon, especially in industry and tourism; abolished discrimination for property ownership between Arab and non-Arab nationals; and lowered real estate registration fees from six percent for Lebanese and 16 percent for foreigners to five percent for both Lebanese and foreign investors. The law permits foreigners to acquire up to 3,000 square meters of real estate without a permit; acquiring more than 3,000 square meters requires cabinet approval. Cumulative real estate acquisition by foreigners may not exceed three percent of total land in each district. Cumulative real estate acquisition by foreigners in the Beirut region may not exceed 10 percent of the total land area. The law prohibits acquisition of property by individuals not holding an internationally recognized nationality. This restriction is primarily aimed at preventing Palestinian refugees residing in Lebanon from permanently settling in the country.

Measure	Year	Index/Ranking
TI Corruption Index	2010	127
Heritage Economic Freedom	2011	89
World Bank Doing Business	2011	113

#### Conversion and Transfer Policies

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There are no restrictions on the movement of capital, capital gains, remittances, dividends, or the inflow and outflow of funds. The conversion of foreign currencies or precious metals is unfettered. Foreign currencies are widely available and can be purchased from commercial banks or money dealers at market rates. There are no delays in remitting investment returns except for the normal time required by the banks to carry out transactions.

#### Expropriation and Compensation

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Land expropriation in Lebanon is relatively rare. The Law on Expropriation (Law No. 58, dated May 29, 1991, Article One), as well as Article 15 of the Constitution, clearly specifies that expropriation must be “for the public utility” and calls for fair and adequate compensation. Compensation is paid at the time of expropriation and is often perceived as below market value. The government does not discriminate against U.S. investors, companies, or their representatives in expropriation.

The government, with the agreement of the parliament, established three real estate companies to encourage reconstruction and development in Greater Beirut: private corporation "SOLIDERE" for Beirut's downtown commercial center, public company "ELYSSAR" for the southwest suburbs of Beirut, and public company "LINORD" for northern Beirut. While LINORD has been dormant for years, the government is in the process of reactivating it to attract investors. These companies have been granted the authority to expropriate certain lands for development, although in doing so they have faced serious legal challenges from landowners and squatters. Several court cases are still pending against SOLIDERE after 15 years of litigation.

## Dispute Settlement

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Over the last few years, the government has faced problems with previously awarded contracts and resorted to international arbitration to resolve them. In 2005, the International Chamber of Commerce's Arbitration Court issued rulings favorable to the two private operators of the cellular network, Cellis (which is two-thirds owned by France Telecom) and Libancell, whose contracts were terminated by the government in 2001. The government negotiated a settlement and paid them compensation. The government has also recently settled a dispute with a Chinese contracting company working to expand the northern port of Tripoli.

Cases in Lebanese courts are not settled rapidly because of archaic procedures, a shortage of judges, inadequate support structures, and a traditional slowness in the handling of cases. Politicians and powerful lobbying groups occasionally interfere in the court system. Local courts accept investment agreements drafted subject to foreign jurisdiction, if they do not contradict Lebanese law. Judgments of foreign courts are enforced subject to the "exequatur" obtained.

The commercial code (Book No. 5, Articles 459-668) and the penal code govern insolvency and bankruptcy. By law, a secured creditor has a right to share in the assets of a bankrupt party. Verdicts involving monetary values in contract cases are made according to the currency of the contract or its equivalent in Lebanese Lira at the official conversion rate on the day of the payment.

The Lebanese Center for Arbitration was created by local economic organizations -- including the four Lebanese chambers of commerce, industry, and agriculture -- the Center acts as an arbitrator in solving domestic and international conflicts related to trade and investment. Its statutes are similar to those of the International Chamber of Commerce in Paris.

Lebanon has an administrative judicial system that handles all kinds of disputes involving the state. The government accepts binding international arbitration of investment disputes related to contracts between foreign investors and the state. In the case of a concession granted by contract by the state, the government does not accept binding international arbitration unless the contract includes an arbitration clause that obtained prior approval by cabinet decree. However, there is an exception for investors of countries that have achieved a signed and ratified investment protection agreement with Lebanon that stipulates international arbitration in case of dispute. Lebanon is a member of the International Center for the Settlement of Investment Disputes (ICSID - Washington Convention). In 2007 Lebanon ratified the New York Convention of 1958 on the recognition and enforcement of foreign arbitral awards. Lebanese law is in conformity with both conventions.

## Performance Requirements and Incentives

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The law imposes no performance requirements on investments. There are no requirements on foreign investors regarding geographic location, amount of local

content, import substitution, export expansion, technology transfer, offset requirements, or source of financing. Investors are not required to disclose proprietary information as part of the regulatory approval process, except in the case of banks, which must obtain the Bank of Lebanon's approval for transfer of ownership.

Foreign investors enjoy the same incentives as local investors. Foreigners doing business in Lebanon through a company, factory, or office must have work and residency permits. There are no discriminatory or excessively onerous visa, residence, or work permit requirements. Registration with a chamber of commerce is required for the import and handling of a limited number of products that are subject to control requirements for safety reasons, but products with special import requirements constitute less than one percent of total tradable goods. Registration at the chambers of commerce is required for ensuring that established facilities meet safety, handling, and storage requirements.

The Investment Law divides Lebanon into three investment zones, with different incentives provided in each zone, and it encourages investments in the fields of technology, information, telecommunications and media, tourism, industry, and agriculture and agro-industry. Incentives include facilitating issuance of permits for foreign labor, tax incentives ranging from a 50 percent tax reduction for five years on income tax and tax on the distribution of dividends to total exemption of these taxes for ten years starting from the date of operation (tied to the issuance of the first invoice), and exempting companies that list 40 percent of their shares on the Beirut Stock Exchange from income tax for two years. The Investment Law also allows for the introduction of tailor-made incentives through package deals for large investments projects, regardless of the project's location, including tax exemptions for up to 10 years, reductions on construction and work permit fees, and a total exemption on land registration fees. IDAL may exempt joint-stock companies that benefit from package deal incentives from the obligation of having a majority of their board of directors be Lebanese (Law No. 771, dated November 2006). Investors who seek to benefit from facilities in the issuance of work permits under "package deals" must hire two Lebanese for every foreigner and register them with the NSSF.

Other laws and legislative decrees provide tax incentives and exemptions depending on the type of investment and its geographical location. Industrial investments in rural areas benefit from tax exemptions of six or ten years, depending on specific criteria (Law No. 27, dated July 19, 1980, Law No. 282, dated December 30, 1993, and Decree No. 127, dated September 16, 1983). Exemptions are also available for investments in south Lebanon, Nabatiyeh, and the Bekaa Valley (Decree No. 3361, dated July, 2, 2000). For example, new industrial establishments manufacturing new products will benefit from a 10-year income tax exemption. Factories currently based on the coast that relocate to rural areas or areas in south Lebanon, Nabatiyeh, and the Bekaa Valley benefit from a six-year income tax exemption.

The government reduces to five percent the tax on dividends for companies listed on the Beirut Stock Exchange (BSE), companies that open up 20 percent of their capital to Arab companies listed on their country's stock exchange or foreign companies listed on the stock exchange of OECD countries,; and companies that issue Global Depository Receipts (GDRs) amounting to a minimum value of 20 percent of their shares listed on the BSE.

Domestic and foreign investors may benefit from a five to seven percent subsidy on interest on loans amounting to up to \$10 million provided by banks, financial institutions, and leasing companies to industrial, agricultural, tourism, and information technology establishments. The subsidy extends for a maximum of seven years. Investors can also benefit from loan guarantees from Kafalat, a semi private financial institution that assists small and medium-sized enterprises (SME) in accessing subsidized commercial bank loans.

Domestic and foreign investors may also benefit from new regulations issued by the Bank of Lebanon in the summer 2009 and valid until June 30, 2011, exempting commercial banks from obligatory reserves on Lebanese Lira and U.S. dollar deposits against new loans for housing, education, and environmentally friendly projects. This change enables banks to grant loans at lower interest rates, and in the fall 2010, the Bank of Lebanon expanded this circular to help lending for all projects that save energy.

Customs exemptions are granted to industrial warehouses for export purposes. Companies located in the Beirut Port or the Tripoli Port Free Zone benefit from customs exemptions and are exempt from the value-added tax (VAT) for export purposes. They are also not required to register their employees with the NSSF if they provide equal or better benefits.

#### **Right to Private Ownership and Establishment**

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The right to private ownership is respected in Lebanon. Foreign private entities can establish, acquire, and dispose of interests in business enterprises and can engage in all kinds of remunerative activities.

#### **Protection of Property Rights**

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The concept of a mortgage exists, and secured interests in property, both movable and real, are recognized and enforced. Such security interests must be recorded in the Commercial Registry and the Real Estate Registry. The Real Estate Law governs acquisition and disposition of all property rights by Lebanese nationals, while Law No. 296, dated April 3, 2001, governs real estate acquisition by non-Lebanese (see A.1 - property section).

Lebanon's legislation generally provides adequate intellectual property rights (IPR) protection and is TRIPS-compliant, although Lebanon is still in the process of acceding to the World

Trade Organization (WTO). Progress on enhancing IPR enforcement continues to be slow, but Lebanon has witnessed some improvement in recent years. In 2008, Lebanon was upgraded to Watch List from Priority Watch List in the United States Trade Representative's annual review of intellectual property protection worldwide. Lebanon is under a Generalized System of Preferences (GSP) review for inadequate enforcement of copyright laws. The establishment of the Cyber Crime and Intellectual Property Unit at the Internal Security Forces (ISF) in 2006 has led to continuous progress in IPR enforcement. During 2010, the government held numerous raids in shops and warehouses, seizing counterfeit material valued at millions of dollars. Although cable

television piracy persists, following a series of lawsuits from major cable TV operators, illegal cable providers are now paying a fee to the respective right holders. Meanwhile, the International Intellectual Property Alliance (IIPA) estimated piracy-related losses incurred in Lebanon by copyright-based industries totaled \$29 million in 2009 compared to \$31 million in 2008, accounting for 4.2 percent of total losses in the Middle East. Although the GoL has made significant progress in fighting piracy, the IIPA noted that piracy remains a significant obstacle to legitimate business, and Lebanese courts continue to be weak in enforcing IPR.

The Business Software Alliance (BSA) ranked Lebanon 39th worst worldwide and 5th out of 17 MENA countries in terms of piracy in 2009. The BSA annual report indicated Lebanon's piracy rate stood at 72 percent, down from 74 percent in 2008. Piracy-related dollar losses for Lebanon ranked 73 worldwide and 11 in the MENA region, and they were estimated at \$46 million in 2009, down from \$49 million in 2008. Unauthorized copies of internationally patented pharmaceuticals continue to be approved by the Ministry of Public Health, although newly approved Decree No. 571 contains requirements on the treatment of undisclosed information in registration applications.

Existing intellectual property rights laws cover copyright, patent, trademarks, and geographical elements.

-- Lebanon's 1999 Copyright Law largely complies with WTO regulations and needs only minor amendments to become fully compatible. The new law allows educational institutions and students to copy legitimately acquired software for non-commercial use. Registration of copyrights in Lebanon is not mandatory, and copyright protection is granted without the need for any registration.

-- A modern and TRIPS-compatible Patent Law, approved in 2000, provides general protection for semiconductor chip layout designs and plant varieties, but no adequate coverage is provided for trade secrets. The issue of undisclosed information is being dealt with as part of a new unfair competition law, which is still being drafted. The Lebanese legal regime does not require examination, prior to registration, of patents for novelty, utility, and innovation. Simple patent deposit is required at the Ministry of Economy and Trade, where the application is examined only for conformity with general laws and ethics.

-- The Council of Ministers approved the draft of a new industrial design and trademark law in October 2007 and a geographical indications law in May 2007, and both now await parliamentary ratification. While the 1924 Law on Industrial Property does not require examination of trademarks and calls for simple deposit, partial examination of trademarks prior to registration became the norm starting in 2001. Registration of industrial and commercial trademarks takes about two weeks.

-- Lebanon signed the Singapore Treaty on Trademarks in December 2006, and the treaty is awaiting parliamentary ratification.

-- Lebanon's parliament ratified the WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT) in February 2010.

-- Lebanon signed a Trade and Investment Framework Agreement (TIFA) with the United States in November 2006. (See section B.)



-- Lebanon has been pursuing WTO accession since 1999. A USAID-funded technical assistance project staffed by consultants from PricewaterhouseCoopers and Booz Allen Hamilton worked with the GoL from May 2000 to October 2007 (and with Middle East Partnership Initiative funding from November 2007 to September 2009) to revise, update, and draft appropriate laws to facilitate WTO accession. In December 2009, USAID renewed this project, contracting Booz Allen Hamilton to continue providing support for Lebanon's WTO accession for the next three years.

## **Transparency of Regulatory System**

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Private sector companies should be wary when bidding for public projects. Transparency, clear regulations, and fair consideration of bids have never been the rule in Lebanon. There is no one specific law regulating all aspects of government procurement in Lebanon. Government administrations often award contracts by mutual agreement, without calling for a tender, and the government does not always establish clear rules of the game.

In Lebanon, the procedures necessary for business entry, operation, and exit are not streamlined. However, the process does not discriminate against foreign investors.

Red tape plagues bureaucratic procedures. International companies are faced with an unpredictable, opaque operating environment and often encounter unanticipated obstacles or costs late in the process. Even so, according to the World Bank's Doing Business 2011 report, Lebanon moved up five spots in the "starting a business" category. Entrepreneurs need only five steps to start a business in Lebanon, compared with 8.1 and 5.6 procedures in the MENA region and OECD countries respectively. The report may be accessed at <http://www.doingbusiness.org>.

The government does not publish proposed laws and regulations in draft for public comment. Even so, the normal practice when preparing legislation is to form a drafting committee composed of both public and private sector stakeholders. However, Telecom Law No. 431 requires the TRA to issue regulations in draft for public consultation in an effort to ensure full transparency and enable the general public to play a role in shaping future regulations. In general, legal, regulatory, and accounting systems are consistent with international norms.

The Ministry of Finance signed an MOU with the Lebanese Transparency Association (LTA) in October 2007 to enhance transparency and increase government accountability. Within this framework, the LTA developed the "Open Budget Index 2010," a study on tax reforms, and a Citizens' Budget for 2010, which made it easy for the ordinary citizen to understand the state budget revenues and spending. The LTA also helped draft a law on access to information and on whistleblower protection, which still await parliamentary approval. Under its Lebanon Anti-Bribery Network, the LTA also launched the Code of Ethics and Whistleblower Protection for small and medium enterprises (SMEs) and provided a workshop for owners and directors of companies on the importance of ethics and on ways of applying the code.

In 2010, USAID, through its Transparency and Accountability Grants (TAG) program, supported Lebanese civil society organizations in playing a more robust role in advocating for good governance, transparency, and accountability. During FY2010, the

TAG program funded 24 projects valued at \$1,137,578. This program demonstrated that there is a committed Lebanese constituency that is willing to work creatively to address corruption and promote good governance in both the public and private sectors.

## **Efficient Capital Markets and Portfolio Investment**

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Lebanon places no restrictions on the movement of capital in or out of the country, whether for investment or other purposes. The government permits the free exchange of currencies, precious metals, and monetary instruments, both domestically and internationally. According to the World Bank, remittance inflows to Lebanon were estimated at \$8.2 billion for 2010, or 22 percent of total remittances to the MENA region. Lebanon is considered one of the largest recipients of remittances as a share of GDP worldwide at 21 percent.

Credit is allocated on market terms, and foreign investors can get credit facilities on the local market. The private sector has access to overdrafts and discounted treasury bills, in addition to a variety of credit instruments, such as housing, consumer, or personal loans, and loans to SMEs. The International Finance Corporation (IFC) and the European Investment bank (EIB) have been separately extending financial facilities through the Lebanese banking sector to help SMEs in specific productive sectors, such as IT, industry, and tourism. In 2007, the EIB and the French Development Agency (the French counterpart of USAID) separately extended loans to the Lebanese banking sector to help the private sector recover from the impact of the July 2006 war. Since 2007, the Overseas Private Investment Corporation (OPIC) extended \$300 million in credit line guarantees through Citibank to select Lebanese banks for private sector lending.

In 2006, the MoET launched an EU-financed project to upgrade the quality of local manufacturing to match international standards, as well as to build the capacity of manufacturers and producers. The MoET, through an EU-financed project, also launched incubators for SMEs in four regions in Lebanon (North, South, Mount Lebanon, and the Bekaa, although the latter has closed for logistical reasons). The Beirut Stock Exchange (BSE) quotes six commercial banks, one investment fund, 18 sovereign Eurobond issues (16 in U.S. dollars, one in euros, and one in Lebanese Lira), and four companies, including "SOLIDERE," one of the largest publicly held companies in the region. Trading is a combination of auction and continuous trading. In spring 2008, the BSE authorized on-line trading. Legislation allows the listing of tradable stocks or papers on the BSE. Lebanon now hosts the headquarters of the Arab Stock Exchange Union.

The banking regulatory system is transparent and consistent with international norms. Banks conform to Bank for International Settlement (BIS) standards and International Accounting Standards (IAS). In September 2010, the Banking Control Commission (BCC) mandated full implementation of International Financial Reporting Standards (IFRS) 9 as of January 1, 2011, for banks and financial institutions operating in Lebanon. The BCC performed a self-assessment on the implementation of the new 25 core principles for effective banking supervision and implemented an action plan for compliance in 2010, and the Bank of Lebanon and BCC are following up preparations by the Financial Stability Board (of Basel) regarding a third version of core principles for effective banking supervision. In September 2009, the Bank of Lebanon, the Banking Control Commission (BCC), and the Association of Banks in Lebanon jointly set up a

new committee in charge of preparing new rules for corporate governance in the banking sector.

Lebanon has legislation regulating issuance of and trading in bank equities. Law No. 308 on unification of bank shares, allows banks to increase their capitalization and shareholder base, as well as to optimize trading of bank shares on the BSE. New laws governing the operation of the stock market, such as the formation of a Financial Market Authority to oversee Lebanon's stock market operations, await parliamentary approval. Parliament has also ratified a law on asset securitization. There are no restrictions on portfolio investment, and foreign investors can invest in Lebanese equity and fixed income paper.

The banking system enjoys a high capital adequacy ratio, which reached around 13.7 percent in 2010, compared to eight percent as set by Basel II, and the Lebanese banking sector has complied with Pillar I and II of the Basel II Accord (new capital adequacy ratio and supervisory review process on economic capital of banks respectively). The Bank of Lebanon and the BCC will continue issuing new circulars requiring banks to comply with Pillar III (transparency and market discipline) of Basel II and IFRS No. 7 in 2011. The Bank of Lebanon and the BCC have established a steering committee to follow up on new enhancement measures to the Basel III Accord, as set by the Basel Committee in December 2009.

International banks established in Lebanon, such as Standard Chartered Bank, Emirates Lebanon Bank, HSBC, and Citibank, remain active. Many sectors are dominated by traditional businesses in the hands of commercially powerful families. The government is trying to improve the transparency of such firms in order to help solidify an emerging capital market for company shares.

The total assets of Lebanon's five largest commercial banks reached about \$82.2 billion in 2009 or 71.3 percent of total banking assets. At the end of 2009, 5.6 percent of total loans were estimated as non-performing, compared to 6.8 percent in 2008. By the end of September 2010, the total assets of Lebanon's five largest commercial banks reached \$88.5 billion. In 2010, about 4.3 percent of total loans were estimated as non-performing. Banks maintained around 89.3 percent provisions against non-performing loans as of end-2010, while the remaining 10.7 percent were covered by adequate collateral.

Lebanon is a member of the Middle East and North Africa Financial Action Task Force (MENAFATF) and received its first MENAFATF Mutual Evaluation during the Tenth Plenary held November 9-11, 2009, in Beirut. Lebanon was upgraded from "partially compliant" to "largely compliant" on several core recommendations, including timely feedback by Lebanon's financial intelligence unit (FIU). As a result of this improvement, Lebanon is subject to only a normal review, scheduled for September 2011.

## **Competition from State Owned Enterprises**

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The GoL has a monopoly in the utility sector (Ogero for telecom landlines, and two mobile companies; Electricite du Liban [EDL] for electricity production and transmission; and four water authorities); for a casino (Casino du Liban, a mixed public-private enterprise); in tobacco procurement, manufacturing, and sales (La Regie des Tabacs et Tombacs); as well as for the national airline (Middle East Airlines [MEA]), whose

monopoly expires in 2012. Other major SOEs include the Beirut, Tripoli, Sidon, and Tyre ports; the Rashid Karami International Fair (in northern Lebanon); the Sport City Center; Intra (a mixed public-private investment company) and two real estate development entities, ELYSSAR and LINORD.

While, by law, electricity production is restricted to EDL, there are several private investors operating generators across the country that sell electricity to citizens at much higher prices than EDL during power cuts. This sector remains unregulated. EDL has awarded a few concessions to privately-owned companies for power distribution in specific regions, and these companies have expressed interest in producing electricity to meet customer demand.

The SOEs are subject to oversight by the concerned ministries. They have independent boards staffed primarily by politically-affiliated individuals appointed by cabinet. The SOEs are required by law to publish an annual report and submit their books for independent audits.

The GoL plans to liberalize the telecommunications sector and restructure and corporatize EDL in order to involve the private sector in the building and operation of power plants, as well as the distribution of electricity. However, progress on these issues has proved elusive, due to the current political climate. Meanwhile, MEA has put on hold its plans to list 25 percent of its shares on the BSE as a first step toward privatization pending an improvement in investor confidence in order to ensure that its shares will not be undervalued when traded on the BSE.

## **Corporate Social Responsibility**

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In the last three years, Lebanese firms have become increasingly aware of corporate social responsibility (CSR), good governance, and the value of providing information to customers. Firms who pursue CSR are viewed favorably. The American-Lebanese Chamber of Commerce has been active in promoting CSR through its Better Business Value seminars, and the LTA reports that more companies are approaching it for corporate governance assessments and its corporate governance guidelines and toolkits for family-owned enterprises and listed companies.

## **Political Violence**

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The lack of momentum in the national unity government in 2010 delayed efforts to implement necessary legislation to address many of Lebanon's pending issues. In 2010, there continued to be sporadic clashes between groups from different confessions and political factions. For example, on August 24, a dispute reportedly over a parking space deteriorated into armed street clashes in Burj Abi Haidar, a predominantly Sunni area of Beirut, between supporters of Hizballah and members of Al-Ahbash, a pro-Syrian Sunni group. The clashes left three dead and 11 injured.

## **Corruption**

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Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and

the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

**U.S. Foreign Corrupt Practices Act:** In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud>.

**Other Instruments:** It is U.S. Government policy to promote good governance including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. Lebanon is a signatory to the UN Anticorruption Convention, but generally all countries prohibit the bribery and solicitation of their public officials.

**OECD Antibribery Convention:** The OECD Antibribery Convention entered into force in February 1999. As of December 2009, there are 38 parties to the Convention including the United States (see <http://www.oecd.org/dataoecd/59/13/40272933.pdf>). Major exporters China, India, and Russia are not parties, although the U.S. Government strongly endorses their eventual accession to the Convention. The Convention obligates the Parties to criminalize bribery of foreign public officials in the conduct of international business. The United States meets its international obligations under the OECD Antibribery Convention through the U.S. FCPA. Lebanon is not a signatory to the OECD Antibribery Convention.



**UN Convention:** The UN Anticorruption Convention entered into force on December 14, 2005, and there are 143 parties to it as of December 2009 (see <http://www.unodc.org/unodc/en/treaties/CAC/signatories.html>). The UN Convention is the first global comprehensive international anticorruption agreement. The UN Convention requires countries to establish criminal and other offences to cover a wide range of acts of corruption. The UN Convention goes beyond previous anticorruption instruments, covering a broad range of issues ranging from basic forms of corruption such as bribery and solicitation, embezzlement, trading in influence to the concealment, and laundering of the proceeds of corruption. The Convention contains transnational business bribery provisions that are functionally similar to those in the OECD Antibribery Convention and contains provisions on private sector auditing and books and records requirements. Other provisions address matters such as prevention, international cooperation, and asset recovery. Lebanon ratified the UN Anticorruption Convention in April 2009.

**OAS Convention:** In 1996, the Member States of the Organization of American States (OAS) adopted the first international anticorruption legal instrument, the Inter-American Convention against Corruption (OAS Convention), which entered into force in March 1997. The OAS Convention, among other things, establishes a set of preventive measures against corruption, provides for the criminalization of certain acts of corruption, including transnational bribery and illicit enrichment, and contains a series of provisions to strengthen the cooperation between its States' parties in areas such as mutual legal assistance and technical cooperation. As of December 2009, the OAS Convention has 33 parties (see <http://www.oas.org/juridico/english/Sigs/b-58.html>) Lebanon is neither a member of the OAS, nor a signatory to the OAS Convention.

**Council of Europe Criminal Law and Civil Law Conventions:** Many European countries are parties to either the Council of Europe (CoE) Criminal Law Convention on Corruption, the Civil Law Convention, or both. The Criminal Law Convention requires criminalization of a wide range of national and transnational conduct, including bribery, money-laundering, and accounting offenses. It also incorporates provisions on liability of legal persons and witness protection. The Civil Law Convention includes provisions on compensation for damage relating to corrupt acts, whistleblower protection, and validity of contracts, inter alia. The Group of States against Corruption (GRECO) was established in 1999 by the CoE to monitor compliance with these and related anti-corruption standards. Currently, GRECO comprises 46 member states (45 European countries and the United States). As of December 2009, the Criminal Law Convention has 42 parties and the Civil Law Convention has 34 (see [www.coe.int/greco](http://www.coe.int/greco)). Lebanon is not a signatory to the Council of Europe Criminal Law and Civil Law Conventions

**Free Trade Agreements:** While it is U.S. Government policy to include anticorruption provisions in free trade agreements (FTAs) that it negotiates with its trading partners, the anticorruption provisions have evolved over time. The most recent FTAs negotiated now require trading partners to criminalize "active bribery" of public officials (offering bribes to any public official must be made a criminal offense, both domestically and trans-nationally) as well as domestic "passive bribery" (solicitation of a bribe by a domestic official). All U.S. FTAs may be found at the U.S. Trade Representative website at <http://www.ustr.gov/trade-agreements/free-trade-agreements>. Lebanon has neither a bilateral investment treaty (BIT) with the U.S. nor an agreement on the avoidance of double taxation. However, the U.S. has signed a Trade and Investment Framework

Agreement (TIFA) with the Government of Lebanon in December, 2006 to help promote an attractive investment climate, expand trade relations, and remove obstacles to trade and investment between the two countries.

**Local Laws:** U.S. firms should familiarize themselves with local anticorruption laws, and, where appropriate, seek legal counsel. While the U.S. Department of Commerce cannot provide legal advice on local laws, the Department's U.S. and Foreign Commercial Service can provide assistance with navigating the host country's legal system and obtaining a list of local legal counsel.

**Assistance for U.S. Businesses:** The U.S. Department of Commerce offers several services to aid U.S. businesses seeking to address business-related corruption issues. For example, the U.S. and Foreign Commercial Service can provide services that may assist U.S. companies in conducting their due diligence as part of the company's overarching compliance program when choosing business partners or agents overseas. The U.S. Foreign and Commercial Service can be reached directly through its offices in every major U.S. and foreign city, or through its website at [www.trade.gov/cs](http://www.trade.gov/cs).

The Departments of Commerce and State provide worldwide support for qualified U.S. companies bidding on foreign government contracts through the Commerce Department's Advocacy Center and State's Office of Commercial and Business Affairs. Problems, including alleged corruption by foreign governments or competitors, encountered by U.S. companies in seeking such foreign business opportunities can be brought to the attention of appropriate U.S. government officials, including local embassy personnel and through the Department of Commerce Trade Compliance Center "Report A Trade Barrier" website at [tcc.export.gov/Report\\_a\\_Barrier/index.asp](http://tcc.export.gov/Report_a_Barrier/index.asp).

**Guidance on the U.S. FCPA:** The Department of Justice's (DOJ) FCPA Opinion Procedure enables U.S. firms and individuals to request a statement of the Justice Department's present enforcement intentions under the anti-bribery provisions of the FCPA regarding any proposed business conduct. The details of the opinion procedure are available on DOJ's Fraud Section website at [www.justice.gov/criminal/fraud/fcpa](http://www.justice.gov/criminal/fraud/fcpa). Although the Department of Commerce has no enforcement role with respect to the FCPA, it supplies general guidance to U.S. exporters who have questions about the FCPA and about international developments concerning the FCPA. For further information, see the Office of the Chief Counsel for International Counsel on the U.S. Department of Commerce website at [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html). More general information on FCPA is available at the websites listed below.

Exporters and investors should be aware that generally all countries prohibit the bribery of their public officials and prohibit their officials from soliciting bribes under domestic laws. Most countries are required to criminalize such bribery and other acts of corruption by virtue of being parties to various international conventions discussed above.

### **Corruption in Lebanon:**

There is rampant corruption when dealing with the public sector. According to Transparency International's (TI) 2010 Corruption Perception Index (CPI), Lebanon ranked 127 out of 178 countries worldwide and 13 out of 20 MENA countries. Its 2010 CPI score remained unchanged from 2009, even though Lebanon ranked lower (130

globally and 14 within the MENA) in the 2009 survey and is down three points from the 2008 and 2007 surveys. Lebanon's CPI score for 2010 and 2009 marked the country's lowest scores since its inclusion in the index. The index measures the perception of corruption by public officials and politicians and focuses on corruption in the public sector, defined as an abuse of official power for private interests.

The International Finance Corporation (IFC) and the LTA signed an MOU on October 11, 2007, to establish the Institute of Directors (on Corporate Governance) in Lebanon, which became operational in 2010. The IFC provided a \$250,000 grant for the institute, which will provide training courses on corporate governance, offer consultancy services, carry out research and educational activities, and organize awareness-raising private sector events in Lebanon and the MENA region.

The LTA held several anti-corruption seminars and awareness campaigns in 2010. Under the framework of the Lebanese Advocacy and Legal Advice Center, the LTA established a hotline for citizens to report cases in which they are victims of corruption or have witnessed corruption and to provide free legal assistance. The LTA is currently preparing to expand its hotline service to the private sector. In July 2010, the LTA launched recommendations to inform and empower businesses on their rights when audited by state inspectors. The LTA also helped draft a law on access to information and on whistleblower protection, both which are pending parliament's approval.

Lebanon has laws and regulations to combat corruption, but these laws are not always enforced. According to Lebanese law, it is a criminal act to give or accept a bribe. The penalty for accepting a bribe is imprisonment for up to three years, with hard labor in some cases, and a fine equal to at least three times the value of the bribe. Bribing a government official is also a criminal act. The Central Inspection Directorate is responsible for combating corruption in the public sector, while the public prosecutor is responsible for combating corruption in the private sector. In April 2009, Lebanon ratified the UN Convention against Corruption. Lebanon is not a signatory to the OECD Convention on Combating Bribery.

Corruption is more pervasive in government contracts (primarily in procurement and public works), taxation, and real estate registration than in private sector deals. It is widely believed that investors routinely pay bribes to win government contracts, which are often awarded to companies close to powerful politicians. The Ministry of Finance (MoF) launched a 24/7 tax call center in May 2007, along with a service for citizens to address property tax issues through the Lebanese postal service, Libanpost. Additionally, an electronic registration and filing system were also implemented. These services are expected to decrease corruption in the tax sector.

### **Anti-Corruption Resources**

Some useful resources for individuals and companies regarding combating corruption in global markets include the following:

- Information about the U.S. Foreign Corrupt Practices Act (FCPA), including a "Lay-Person's Guide to the FCPA", is available at the U.S. Department of Justice's website at <http://www.justice.gov/criminal/fraud/fcpa>.



- Information about the OECD Antibribery Convention, including links to national implementing legislation and country monitoring reports, is available at [http://www.oecd.org/departement/0,3355,en\\_2649\\_34859\\_1\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/departement/0,3355,en_2649_34859_1_1_1_1_1,00.html). See also new The Antibribery Recommendation and Good Practice Guidance Annex for companies: <http://www.oecd.org/dataoecd/11/40/44176910.pdf>.
- General information about anticorruption initiatives, such as the OECD Convention and the FCPA, including translations of the statute into several languages, is available at the Department of Commerce Office of the Chief Counsel for International Commerce website at [http://www.ogc.doc.gov/trans\\_anti\\_bribery.html](http://www.ogc.doc.gov/trans_anti_bribery.html).
- Transparency International (TI) publishes an annual Corruption Perceptions Index (CPI). The CPI measures the perceived level of public-sector corruption in 180 countries and territories around the world. The CPI is available at [http://www.transparency.org/policy\\_research/surveys\\_indices/cpi/2009](http://www.transparency.org/policy_research/surveys_indices/cpi/2009). TI also publishes an annual *Global Corruption Report*, which provides a systematic evaluation of the state of corruption around the world. It includes an in-depth analysis of a focal theme, a series of country reports that document major corruption-related events and developments from all continents, and an overview of the latest research findings on anti-corruption diagnostics and tools. See <http://www.transparency.org/publications/gcr>.
- The World Bank Institute publishes Worldwide Governance Indicators (WGI). These indicators assess six dimensions of governance in 212 countries, including Voice and Accountability, Political Stability and Absence of Violence, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption. See [http://info.worldbank.org/governance/wgi/sc\\_country.asp](http://info.worldbank.org/governance/wgi/sc_country.asp). The World Bank Business Environment and Enterprise Performance Surveys may also be of interest and are available at <http://go.worldbank.org/RQXJ6210>.
- The World Economic Forum publishes the *Global Enabling Trade Report*, which presents the rankings of the Enabling Trade Index and includes an assessment of the transparency of border administration (focused on bribe payments and corruption) and a separate segment on corruption and the regulatory environment. See <http://www.weforum.org/en/initiatives/gcp/GlobalEnablingTradeReport/index.htm>.
- Additional country information related to corruption can be found in the U.S. State Department's annual *Human Rights Report* available at <http://www.state.gov/g/drl/rls/hrrpt/>.
- Global Integrity, a nonprofit organization, publishes its annual *Global Integrity Report*, which provides indicators for 92 countries with respect to governance and anti-corruption. The report highlights the strengths and weaknesses of national level anti-corruption systems. The report is available at <http://report.globalintegrity.org/>.

The U.S. has neither a bilateral investment treaty (BIT) with Lebanon, nor an agreement to prevent double taxation, although Lebanon has expressed an interest in signing both. Preliminary discussions for a BIT began in 2001 but have been pending ever since. Several politicians have publicly expressed caution regarding a Middle East Free Trade Area.

In November 2006, the United States Trade Representative (USTR) and the MoET signed a Trade and Investment Framework Agreement (TIFA). Apart from pledging to foster an environment conducive to mutual trade and investment, the TIFA requires both parties to set up a United States-Lebanon Council on Trade and Investment that would meet twice a year or more to consult on trade and investment impediments and any other issues of concern. The council, which has not yet been set up, will seek and consider the views of private sector representatives in both countries. Under the TIFA, the United States and Lebanon agreed to a consultation mechanism that may be activated by either party within 60 days in the event of a dispute or other development affecting trade relations. Although at the signing ceremony for the TIFA, the minister of economy expressed interest in signing a Free Trade Agreement (FTA) with the U.S., no work has yet been done toward achieving such an agreement.

Lebanon signed the Euro-Mediterranean Partnership agreement in 2002, and the interim agreement entered into force in March 2003. The final agreement came into force in April 2006. In 2004, Lebanon and the European Free Trade Association (EFTA) signed a free trade agreement. . In November 2010, Lebanon and Turkey signed an association agreement establishing a free trade area that will reduce barriers to the free movement of goods, services, capital, and people between the two countries over the next ten years. Lebanon has also signed the Greater Arab Free Trade Agreement, which gradually replaced the bilateral free trade agreements signed with Egypt, Iraq, Kuwait, Syria, the UAE, and the Gulf Cooperation Council states. A regional Economic and Trade Association Council between Lebanon, Syria, Jordan, and Turkey was announced in July 2010. .

Lebanon has signed bilateral investment agreements with the following countries (in alphabetical order): Armenia, Austria, Azerbaijan, Bahrain, Belarus, Belgium/Luxemburg, Benin, Bulgaria, Canada, Chad, Chile, China, Cuba, Cyprus, Czech Republic, Egypt, Finland, France, Gabon, Germany, Greece, Guinea, Hungary, Iceland, Iran, Italy, Jordan, Kuwait, Malaysia, Mauritania, Morocco, Netherlands, Oman, Pakistan, Qatar, Romania, Russia, Slovakia, South Korea, Spain, Sudan, Sweden, Switzerland, Syria, Tunisia, Turkey, Ukraine, the United Arab Emirate, the United Kingdom, and Yemen.

Lebanon has signed bilateral tax conventions with 32 countries, but not with the United States.

## **OPIC and Other Investment Insurance Programs**

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On February 10, 1981, Lebanon and the U.S. signed an OPIC agreement in Beirut, but no investment using OPIC insurance coverage was undertaken until 1996. OPIC is currently engaged with Lebanon in three areas: insurance, financing, and investment. Since 2006, OPIC has worked with Citibank on a program that offers loans to the private sector (SMEs, retail, and housing) through selected Lebanese commercial banks. This program began in January 2007, and to date, OPIC has provided \$300 million in credit line guarantees.

The Lebanese government's National Investments Guarantee Corporation (NIGC) continues to insure new investments against political risks, riots, losses due to non-convertibility of currencies, and transfer of profits. Other major trade/investment insurance programs operating in Lebanon include COFACE (France), ECGD (UK), HERMES (Germany), SACE (Italian), and IAIGC (Arab Consortium). Lebanon has been a member of the Multilateral Investment Guarantee Agency (MIGA), part of the World Bank, since 1994.

The U.S. dollar value of the local currency has been trading at approximately Lebanese Lira (LL) 1,500 to the dollar for the last 15 years. The GoL has repeatedly expressed its commitment to maintaining a stable currency. With record high foreign currency assets of over \$30.6 billion as of the end 2010, the Banque du Liban has the ability to maintain a stable \$/LL rate.

## **Labor**

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The 1946 Labor Law provides for written and oral contracts and specifies a maximum workweek of 48 hours (with several exceptions, notably in agriculture corporations). The law provides for the right of association and the right to organize and bargain collectively. Lebanon is a member of the International Labor Organization (ILO) Convention.

Lebanon's working population (aged 15 and above) totals 1.1 million, including foreign residents but excluding the seasonal work force, according to the Central Administration of Statistics' (CAS) 2007 National Survey of Household Living Conditions. CAS estimated Lebanon's population in 2007 at 3.75 million, excluding Palestinians in the camps and seasonal workers. It also estimated the unemployment rate (aged 15-64) at 9.2 percent in its 2007 Household Living Conditions survey, which showed that the unemployment rate reached 26.1 percent for the 15-19 age group and 20.7 percent for the 20-24 age group. The unemployment rate is somewhat attenuated because about one-third of the total workforce works outside Lebanon, mainly in Arab countries and the Gulf, according to prominent consultants.

Local unskilled labor is in short supply. Arab (mainly Syrians and Palestinian refugees), Asian, Indian, and African laborers are hired to work in construction, agriculture, industry, and households.

Lebanon has a General Labor Confederation (GLC), recognized by the government, whose membership is limited exclusively to Lebanese workers. The GLC's activities are mainly limited to demanding cost-of-living increases and other social benefits. The government/labor relationship has improved compared to previous years, yet it remains difficult. Given its own political bias, the GLC has been sometimes accused of working for its political interests and of being ineffective in fighting for workers' rights.

## **Foreign-Trade Zones/Free Ports**

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Foreign-owned firms have the same investment opportunities as Lebanese firms. Lebanon has two free zones in operation, the Beirut Port and the Tripoli Port. The reconstruction of a 120,000 square meter free zone at the Beirut Port is complete, and a

6,000-square meter bonded warehouse facility is now available. The WTO-compatible Customs Law issued by Decree No. 4461 fosters the development of free zones. The GoL also passed Law No. 18, dated September 5, 2008, to set up a Special Economic Zone (SEZ) in Tripoli to attract investment in trade, industry, services, storage, and other services. Investors will benefit from tax exemptions and other privileges, and USAID is providing technical assistance to the GoL for preparing a feasibility study for Tripoli SEZ. The technical assistance project, which started in July 2010 with an expected duration of one year, includes defining the territorial composition of the zone, assessing the quality and condition of off-site infrastructure, transport logistics, power, telecommunications, water and wastewater requirements, as well as determining administrative, legal, tax, and regulatory barriers for prospective tenants.

## **Foreign Direct Investment Statistics**

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There are no official statistics available on foreign direct investment (FDI). Banking sources estimated that construction and real estate account for the largest part of foreign investment.

According to the Arab Investment and Export Credit Guarantee Corporation, FDI in Lebanon reached \$4.8 billion in 2009, making it the fifth largest recipient of FDI out of 18 Arab countries. This constituted a rise of 33.2 percent compared to 2008 and a 10-year high. Lebanon's share of aggregate Arab FDI reached 5.95 percent in 2009, up from 3.79 percent in 2008, and Lebanon was among the few Arab countries witnessing an increase in FDI in 2009. Meanwhile, investment from Lebanon in Arab countries was valued at \$725.5 million in 2009, dropping 68.4 percent compared to 2008, according to the same report, and it was the seventh largest source of inter-Arab investment, accounting for 3.8 percent of aggregate inter-Arab investment in 2009. Saudi Arabia was the largest destination of Lebanese direct investment, valued at \$414 million or 57 percent of total investment.

According to the UN Conference on Trade and Development (UNCTAD), FDI inflows to Lebanon rose by 10.8 percent reaching \$4.8 billion in 2009, up from \$4.3 billion in 2008. The increase was mainly attributed to investments in the real estate sector. Lebanon was the fourth largest recipient of FDI in nominal terms among 20 MENA countries. FDI inflows constituted 14 percent of GDP in 2009, the highest in the Arab world. Meanwhile, FDI outflows from Lebanon also rose by 14 percent reaching \$1.1 billion in 2009, up from \$987 million in 2008.

European and Asian companies have won most of the government contracts in the fields of electricity, water, telecommunications, transportation and infrastructure. This could be attributed to either the unstable political and security situation in Lebanon that discouraged U.S. companies from bidding on projects or bilateral financial protocols signed between Lebanon and some European countries that provide grants and soft-term loans. However, U.S. companies have won contracts in solid waste treatment and landfill and some contracts in the power sector, air transport, and media.

The U.S. Embassy in Beirut tracks U.S. companies' activities in the Lebanese market. The Embassy actively lobbies to support U.S. companies bidding on projects, providing equal support to all U.S. bidders via letters and direct meetings with senior Lebanese government officials and demanding fair consideration of U.S. companies that are bidding on business opportunities in Lebanon. In some cases, the Embassy and the

U.S. Department of Commerce have provided higher-level advocacy from Washington. The Embassy encourages U.S. companies bidding on projects to contact the Embassy's Economic\Commercial Section for assistance and advocacy.

## **Web Resources**

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Association of Lebanese Banks: <http://www.abl.org.lb>

Bank of Lebanon: <http://www.bdl.gov.lb>

Council for Development and Reconstruction (CDR): <http://www.cdr.gov.lb>

Investment Development Authority of Lebanon (IDAL): <http://www.idal.com.lb>

Ministry of Economy and Trade: <http://www.economy.gov.lb>

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## Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
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### How Do I Get Paid (Methods of Payment)

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Lebanon has no restrictions on currency conversions and transfers, and no foreign exchange controls affect trading. Over 60 percent of international trade is financed through letters of credit, and the remaining portion is financed through direct transfers. There are no credit rating agencies or collection agencies currently operating in Lebanon. Banks and sovereign Eurobonds are the only entities rated by international rating agencies.

### How Does the Banking System Operate

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Lebanon is a financial hub for banking activities in the Middle East, and it has one of the most sophisticated banking sectors in the region. Bank secrecy is strictly enforced, but Banque du Liban (BdL) regulates all financial institutions and money exchange houses. In April 2001, Lebanon adopted Law No. 318, which created a framework for lifting bank secrecy, mandated suspicious transaction reporting, required financial institutions to obtain and maintain records of customer identification information, and facilitated access to banking information and records by judicial authorities.

Foreigners can open accounts in banks operating in Lebanon and get credit on market terms. The Banking Control Commission (BCC) closely monitors bank credits, and all credit transactions are subject to timely and accurate disclosure. The National Institute for the Guarantee of Deposits (NIGD) insures up to LL 5 million (about \$3,317) of Lebanese and foreign currency deposits in commercial banks. Bank financial statements are in compliance with international accounting standards. Independent auditors audit annual accounts, and most banks utilize internationally recognized accounting firms.

### Foreign-Exchange Controls

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Lebanon imposes no foreign exchange controls. The foreign exchange market is neither regulated nor restricted.

### U.S. Banks and Local Correspondent Banks

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Below is a list of U.S. banks operating in Lebanon:

**BNY MELLON (Representative Office)**

Atrium Bldg, 3rd floor  
Maarad Street, Nejme Square  
P.O.Box 2011-4102  
Beirut, Lebanon  
Tel: 961-1-988788  
Fax: 961-1-989001  
<http://www.bnymellon.com>

**CITIBANK N.A.**

Bloc A, 3<sup>rd</sup> floor  
Berytus Park, Park Avenue  
Beirut Central District  
P.O.Box 11-1535  
Beirut, Lebanon  
Tel: 961-1-962447  
Fax: 961-1-962443  
<http://www.citigroup.com>

**JP MORGAN CHASE BANK (Representative Office)**

Bloc B, 16th floor, Suite No.1601  
Clemenceau Street, Gefinor Center,  
Beirut, Lebanon  
P.O.Box 11-5133  
Beirut, Lebanon  
Tel: 961-1-739583  
Fax: 961-1-739581  
<http://www.jpmorgan.com>

Below is a list of the top Lebanese commercial banks (ranked by assets as of December 2009) with correspondent U.S. banking arrangements:

**AUDI BANK S.A.L.**

Banque Audi Plaza, Bab Idriss  
Omar Daouk Street  
P.O.Box 11-2560  
Beirut, Lebanon  
Tel: 961-1-994000  
Fax: 961-1-990555  
<http://www.banqueaudi.com>

**BLOM BANK S.A.L.**

BLOM Bank Bldg  
Rashid Karamah St, Verdun  
P.O.Box: 11-1912  
Beirut, Lebanon  
Tel: 961-1-738938; 961-1-743300  
Fax: 961-1-738946  
<http://www.blom.com.lb>

**BYBLOS BANK S.A.L.**

Byblos Bank Tower,  
Elias Sarkis Avenue, Ashrafieh  
P.O.Box: 11-5605  
Beirut, Lebanon  
Tel: 961-1-335200  
Fax: 961-1-339436  
<http://www.byblosbank.com.lb>

**FRANSABANK S.A.L.**

Fransabank Center, Hamra Street  
P.O.Box: 11-0393  
Beirut, Lebanon  
Tel: 961-1-340180/8; 01-745761/4  
Fax: 961-1-354572  
<http://www.fransabank.com>

**BANKMED S.A.L.**

Mediterranee Group Center  
482 Clemenceau Street  
P.O.Box: 11-0348  
Beirut, Lebanon  
Tel: 961-1-373937  
Fax: 961-1-362706  
<http://www.bankmed.com.lb>

**BANQUE LIBANO-FRANCAISE S.A.L.**

Beirut Liberty Plaza  
Rome Street, Hamra  
P.O.Box 11-0808  
Beirut, Lebanon  
Tel: 961-1-791332  
Fax: 961-1-791332 x 1318  
<http://www.eblf.com>

**BANK OF BEIRUT S.A.L.**

Bank of Beirut Bldg  
Foch Street, Beirut Central District,  
P.O.Box: 11-7354  
Beirut, Lebanon  
Tel: 961-1-972972  
Fax: 961-1-983999  
<http://www.bankofbeirut.com.lb>

**CREDIT LIBANAIS S.A.L.**

5<sup>th</sup> Floor, Sofil Center  
Charles Malek Ave, Ashrafieh  
P.O.Box: 16-6729  
Beirut, Lebanon  
Tel: 961-1-200028/9  
Fax: 961-1-325713



<http://www.creditlibanais.com.lb>

**SOCIETE GENERALE DE BANQUE AU LIBAN S.A.L.**

Sehnaoui Bldg, Riad El-Solh Street

P.O.Box: 11-2955

Beirut, Lebanon

Tel: 961-1-980783

Fax: 961-1-980785

<http://www.sgbl.com.lb>

**Source:** *Association of Banks in Lebanon (ABL)*

**Project Financing**

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Project financing in Lebanon derives from various sources and is not always clearly defined. According to the Council for Development and Reconstruction (CDR), the government's executive body for redevelopment, at the end of 2009, the cumulative total amount of secured foreign financing amounted to \$9.658 billion, comprised of grants, soft loans, commercial loans, export credits and medium-term loans. As of end September 2010, CDR had a total of \$337 million in loans awaiting parliament's approval. In addition, CDR had nearly \$600 million in grants mainly related to pledges that pre-date the 2007 Paris III donor conference and earmarked for public investments in reconstruction following the July 2006 war. The CDR has already spent around half of this assistance. Moreover, donors pledged \$2.7 billion in project financing at the Paris III conference.

About 30 foreign financing sources are involved in CDR's reconstruction plan, but ten main financing sources have contributed over 90 percent of the agency's total foreign financing. These are the World Bank, the Arab Fund for Economic and Social Development, the European Investment Bank, the Islamic Development Bank, the Governments of Saudi Arabia, Italy, France, and commercial banks.

**Web Resources**

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/ccs/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

Association of Lebanese Banks: <http://www.abl.org.lb>

Banking Control Commission of Lebanon: <http://www.bccl.gov.lb>

Central Bank of Lebanon: <http://www.bdl.gov.lb>

Council for Development and Reconstruction: <http://www.cdr.gov.lb>

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## Chapter 8: Business Travel

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### Business Customs

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Business cards are commonly used. Dress code is formal in most business and official settings. Gifts are common and are accepted on most occasions.

Lebanon uses the metric system of weights and measures, and the monetary unit is the Lebanese pound (LL), also called the lira. There are no exchange controls, and U.S. dollars circulate freely. Cash is the most common method of payment in Lebanon, but payment by check or credit card is possible nearly everywhere. Bank ATM machines are widespread, and cash may be withdrawn in Lebanese pounds or U.S. dollars.

### Travel Advisory

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The U.S. Department of State advises all U.S. citizens of the risks of travel to Lebanon and recommends that American citizens exercise caution while traveling there. For more information, please visit [http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_948.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_948.html).

### Visa Requirements

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Visas are required for entry into Lebanon and may be obtained at Lebanese embassies (<http://www.lebanonembassyus.org>) and consulates or upon arrival at Beirut International Airport (only for holders of American, Canadian and Western European passports). Travelers whose passports contain Israeli stamps or visas are routinely refused entry at the airport. If holders of Arab passports possess passports that contain Israeli stamps or visas, they may be subject to arrest and imprisonment. Persons, including dual national Lebanese, suspected of having traveled to or via Israel may also be subject to interrogation or detention.

U.S. companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. For more information, visa applicants should visit to the Department of State Visa website (<http://travel.state.gov/visa/>).

## Telecommunications

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International calls are expensive. The domestic public phone network (managed by the traditional public operator – OGERO) is generally reliable. Lebanon has two GSM networks that are owned by the government but are managed by two private companies (Zain Group and Orascom Telecom). Various private cellular telephones and fax facilities exist. Prepaid cellular cards are widely available, and cellular phones may be rented for the duration of a visit. Internet service is available starting at a monthly subscription fee of about \$30 for limited access and is accessible to visitors at many hotels and internet cafes. DSL, ADSL, HDSL and wireless broadband internet connections are available in Lebanon. For more information, please visit <http://www.ogero.gov.lb>.

## Transportation

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Lebanon lacks adequate public transportation, but private, un-metered taxis and shared cabs are plentiful in and around the capital. Rental cars are readily available at a daily cost of \$20 and up, depending on the type and model of the car.

Although many international airlines serve Beirut, a 1984 U.S. Presidential Determination prohibits direct air links between the U.S. and Lebanon.

## Language

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Arabic is the official language in Lebanon, but French and English are widely spoken.

## Health

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Most pharmaceuticals and health-related products are readily available in the local market. American companies such as Pfizer, Merck Sharp & Dohme (MSD), and Johnson & Johnson have representative offices in Lebanon. Private hospitals in Beirut and surrounding areas provide modern care, but doctors and hospitals often expect immediate cash payment for services if a client does not show evidence of locally accepted health insurance coverage.

## Local Time, Business Hours, and Holidays

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Local time is GMT +2 in the winter, and GMT +3 in the summer.

Government offices hours are as follows:

- 8:00 a.m. - 2:00 p.m. Monday through Thursday
- 8:00 a.m. -11:00 a.m. on Friday
- 8:00 a.m. - 1:00 p.m. on Saturdays

Bank counters are generally open on the following schedule:

- 8:30 a.m.-2 p.m. Monday through Friday
- 8:00 a.m.-12:00 p.m. Saturdays

Private office hours vary and some exceed the 40-hour workweek.

The following dates are considered holidays in Lebanon during 2011:

New Year's Day (Jan. 1); Armenian Christmas Day (Jan. 6); St. Maroun's Day (Feb. 9); Prophet Mohammad's Birthday (Variable); Annunciation Day (March 25); Good Friday Western / Eastern Rite (April 22); Easter Monday, Western / Eastern Rite (April 25); Labor Day (May 1); Martyr's Day (May 6); South Liberation Day (May 25); Assumption Day (August 15); Feast of Ramadan (Variable); Feast of Al-Adha (Variable); Independence Day (Nov. 22); Moslem New Year- Al-Hejra (Variable); Ashoura (Variable) and Christmas Day (Dec. 25).

In the case of Lebanese holidays which fall on Saturday or Sunday, Lebanese government regulations prohibit the granting of an alternate day of holiday, except for Labor Day.

### **Temporary Entry of Materials and Personal Belongings**

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There are no restrictions on the temporary entry of goods and equipment. Temporary importation of goods, professional equipment, and commercial samples for exhibit materials requires a temporary admission (ATA) carnet, which can be obtained from the Lebanese Chamber of Commerce. By presenting an ATA carnet to Lebanese customs, the imported products and equipment pass duty and tax-free into a carnet country for up to one year. At the end of the year, all the items listed on the carnet must be returned to the temporary exportation country. Video, audio disks and tapes may be subject to search and seizure.

For more information please visit:

[http://www.customs.gov.lb/customs/laws\\_regulations/Trader\\_guides.asp](http://www.customs.gov.lb/customs/laws_regulations/Trader_guides.asp)

<http://www.ccib.org.lb/Atacarnet/Services.aspx>

### **Web Resources**

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Chamber of Commerce: <http://www.ccib.org.lb>

Lebanese Customs Authority: <http://www.customs.gov.lb>

Lebanese Embassy in the U.S.: <http://www.lebanonembassyus.org>

Ministry of Telecommunications: <http://www.ogero.gov.lb>.

Ministry of Economy: <http://www.economy.gov.lb>

State Department Visa Website: <http://travel.state.gov/visa/>

U.S. Embassy in Lebanon: <http://lebanon.usembassy.gov>

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## Chapter 9: Contacts, Market Research and Trade Events

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- [Market Research](#)
- [Trade Events](#)

### Contacts

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#### Ministries

- Ministry of Administrative Reform: <http://www.omsar.gov.lb>
- Ministry of Agriculture: <http://www.agriculture.gov.lb>
- Ministry of Culture: <http://www.culture.gov.lb>
- Ministry of Displaced: <http://www.ministryofdisplaced.gov.lb>
- Ministry of Education & Higher Education: <http://www.higher-edu.gov.lb>
- Ministry of Economy and Trade: <http://www.economy.gov.lb>
- Ministry of Energy and Water: <http://www.energyandwater.gov.lb>
- Ministry of Environment: <http://www.moe.gov.lb>
- Ministry of Finance: <http://www.finance.gov.lb>
- Ministry of Foreign Affairs and Emigrants: <http://www.emigrants.gov.lb>
- Ministry of Industry: <http://www.industry.gov.lb>
- Ministry of Information: <http://www.ministryinfo.gov.lb>
- Ministry of Interior and Municipalities: <http://www.moim.gov.lb>
- Ministry of Justice: <http://www.justice.gov.lb>
- Ministry of Labor: <http://www.clu.gov.lb/english/ministry/index.html>
- Ministry of National Defense: <http://www.lebarmy.gov.lb>
- Ministry of Post and Telecommunications: <http://www.mpt.gov.lb>
- Ministry of Public Health: <http://www.moph.gov.lb>
- Ministry of Public Works and Transport: <http://www.public-works.gov.lb>
- Ministry of Social Affairs: <http://www.socialaffairs.gov.lb>
- Ministry of Tourism: <http://www.destinationlebanon.gov.lb>
- Ministry of Youth and Sports: <http://www.minijes.gov.lb>
- Presidency of the Council of Ministers: <http://www.pcm.gov.lb>

#### Public Agencies

- Central Bank of Lebanon: <http://www.bdl.gov.lb>
- Council for Development and Reconstruction: <http://www.cdr.gov.lb>
- Investment Development Authority of Lebanon: <http://www.idal.com.lb>
- National Archives: <http://www.can.gov.lb>
- OGERO: <http://www.ogero.gov.lb>
- Port of Beirut: <http://www.portdebeyrouth.com>

#### Trade Association

- American Lebanese Chamber of Commerce: <http://www.amcham.org.lb>

- Association of Banks in Lebanon: <http://www.abl.org.lb>
- Association of Lebanese Industrialists: <http://www.ali.org.lb>
- Beirut Chamber of Commerce, Industry and Agriculture: <http://www.ccib.org.lb>
- Beirut Trader's Association: Tel: 961-1-345735, 347997, 747886, 747887; e-mail: [Beiruttraders@inco.com.lb](mailto:Beiruttraders@inco.com.lb)
- International Chamber of Commerce: <http://www.iccwbo.org>
- Lebanese Businessmen Association: <http://www.rdcl.org.lb>
- Lebanese Franchise Association: <http://www.lfalebanon.com>
- Professional Computer Association: <http://www.pca.org.lb>

## Market Research

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To view market research reports produced by the U.S. Commercial Service, please go to the following website: <http://www.export.gov/mrktresearch/index.asp> and click on "Country and Industry Market Reports."

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site, which is required, is free.

## Trade Events

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Please click on the link below for information on selected trade events in the U.S.

<http://www.export.gov/tradeevents/index.asp>

Please click on the links below for information on upcoming trade events in Lebanon.

<http://www.iktissad.com>  
<http://www.confex-lebanon.com>  
<http://www.ifpexpo.com>  
<http://www.promofair.com.lb>  
<http://www.bielcenter.com>  
<http://www.hospitalityservices.com.lb>  
<http://www.buyusa.gov/lebanon>

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## Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling federal agencies to prepare U.S. companies to export successfully, connect them with trade opportunities, and support them once they have exporting opportunities.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small and medium-sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to achieve the following:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the federal government's trade promotion resources for new and experienced exporters, please click on the following link: <http://www.export.gov>.

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following link: <http://www.buyusa.gov/lebanon/en/>.

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the U.S. Department of Commerce's Trade Information Center at (800) USA-TRAD(E).

We value your feedback on the format and contents of this report. Please send your comments and recommendations to: [Market\\_Research\\_Feedback@trade.gov](mailto:Market_Research_Feedback@trade.gov)

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, The Department of Commerce does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. The Department of Commerce can assist companies in these endeavors.

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